
State: Arkansas **Filing Company:** American Modern Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AMH Manufactured Home
Project Name/Number: R/R/20120424-08

Filing at a Glance

Company: American Modern Home Insurance Company
Product Name: AMH Manufactured Home
State: Arkansas
TOI: 04.0 Homeowners
Sub-TOI: 04.0002 Mobile Homeowners
Filing Type: Rate/Rule
Date Submitted: 08/06/2012
SERFF Tr Num: AMMH-128615493
SERFF Status: Closed-Filed
State Tr Num:
State Status:
Co Tr Num: 20120424-08

Effective Date: 12/01/2012
Requested (New):
Effective Date: 12/01/2012
Requested (Renewal):
Author(s): Susan Crawford, Michelle Warren
Reviewer(s): Becky Harrington (primary)
Disposition Date: 09/12/2012
Disposition Status: Filed
Effective Date (New): 12/01/2012
Effective Date (Renewal): 12/01/2012

State Filing Description:

referred to Commissioner 8/29/12; meeting 9/5/12

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AMH Manufactured Home
Project Name/Number: R/R/20120424-08
Filing Company: American Modern Home Insurance Company

General Information

Project Name: R/R
Project Number: 20120424-08
Reference Organization:
Reference Title:
Filing Status Changed: 09/12/2012
State Status Changed: 09/05/2012
Created By: Michelle Warren
Corresponding Filing Tracking Number: 20120424-08F
Status of Filing in Domicile: Not Filed
Domicile Status Comments: Not filed in domicile state.
Reference Number:
Advisory Org. Circular:
Deemer Date:
Submitted By: Michelle Warren

Filing Description:
Please see attached Explanatory Memo.

Company and Contact

Filing Contact Information

Michelle Warren, Sales Administrator II
7000 Midland Blvd
Amelia, OH 45102
mwarren@amig.com
800-759-9008 [Phone] 5265 [Ext]
513-947-4181 [FAX]

Filing Company Information

American Modern Home Insurance Company
7000 Midland Blvd.
Amelia, OH 45102
(800) 759-9008 ext. [Phone]
CoCode: 23469
Group Code: 361
Group Name:
FEIN Number: 31-0715697
State of Domicile: Ohio
Company Type: Property and Casualty
State ID Number:

Filing Fees

Fee Required? Yes
Fee Amount: \$150.00
Retaliatory? No
Fee Explanation: Rate - \$100.00
Rule - \$50.00
Total = \$150.00
Per Company: No

Company	Amount	Date Processed	Transaction #
American Modern Home Insurance Company	\$150.00	08/06/2012	61436333

State:	Arkansas	Filing Company:	American Modern Home Insurance Company
TOI/Sub-TOI:	04.0 Homeowners/04.0002 Mobile Homeowners		
Product Name:	AMH Manufactured Home		
Project Name/Number:	R/R/20120424-08		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	09/12/2012	09/12/2012

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	09/05/2012	09/05/2012
No response necessary	Becky Harrington	08/29/2012	08/29/2012
Pending Industry Response	Becky Harrington	08/17/2012	08/17/2012
Pending Industry Response	Becky Harrington	08/10/2012	08/10/2012

Response Letters

Responded By	Created On	Date Submitted
Michelle Warren	09/12/2012	09/12/2012
Michelle Warren	09/12/2012	09/12/2012
Michelle Warren	08/28/2012	08/28/2012
Michelle Warren	08/17/2012	08/17/2012

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Note to Reviewer of 9/7/12	Note To Filer	Becky Harrington	09/10/2012	09/10/2012
Objection letter dated 9-5-2012	Note To Reviewer	Michelle Warren	09/07/2012	09/07/2012

State:	Arkansas	Filing Company:	American Modern Home Insurance Company
TOI/Sub-TOI:	04.0 Homeowners/04.0002 Mobile Homeowners		
Product Name:	AMH Manufactured Home		
Project Name/Number:	R/R/20120424-08		

Disposition

Disposition Date: 09/12/2012
Effective Date (New): 12/01/2012
Effective Date (Renewal): 12/01/2012
Status: Filed
Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
American Modern Home Insurance Company	17.300%	15.000%	\$1,362,294	12,948	\$8,878,069	24.800%	-27.300%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	Explanatory Memo	Filed	Yes
Supporting Document	Indications	Filed	Yes
Supporting Document (revised)	Disruption Chart	Filed	Yes
Supporting Document	Disruption Chart		Yes
Rate (revised)	Proposed Filing Pages	Filed	Yes
Rate	Proposed Filing Pages		Yes

State: Arkansas **Filing Company:** American Modern Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AMH Manufactured Home
Project Name/Number: R/R/20120424-08

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	09/05/2012
Submitted Date	09/05/2012
Respond By Date	

Dear Michelle Warren,

Introduction:

The requested increase has been reviewed by the Commissioner.

Please amend the overall increase to 15% and cap individual increase at not more than 25%.

Provide revised manual pages as necessary.

Conclusion:

NOTICE regarding, corrections to filings and scrivener's Errors:

Effective for all filings made on or after June 1, 2011, Arkansas no longer allows the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."

In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.

Sincerely,

Becky Harrington

State:	Arkansas	Filing Company:	American Modern Home Insurance Company
TOI/Sub-TOI:	04.0 Homeowners/04.0002 Mobile Homeowners		
Product Name:	AMH Manufactured Home		
Project Name/Number:	R/R/20120424-08		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	09/12/2012
Submitted Date	09/12/2012

Dear Becky Harrington,

Introduction:

Response 1

Comments:

Per your request, we have revised the overall rate impact to 15% and limited the individual increase at no more than 25%. See attached: AR 077 Disruption Chart-Revised.

Changed Items:

Supporting Document Schedule Item Changes
Satisfied -Name: NAIC loss cost data entry document
Comment: Please see the attached revised file.
Satisfied -Name: Disruption Chart
Comment: Please see the attached revised file.

No Form Schedule items changed.

Rate/Rule Schedule Item Changes			
Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Proposed Filing Pages	Page G-1;EC1-1 through EC1-2;BR-1;PR-1;RR-1;TR-1;L-1;OC-1 through OC-2	Replacement	
<i>Previous Version</i>			
Proposed Filing Pages	Page G-1;EC1-1 through EC1-2;BR-1;PR-1;RR-1;TR-1;L-1;OC-1 through OC-2	Replacement	

Conclusion:

Please let me know if you have any questions. Thank you again for your time on this!

SERFF Tracking #:	AMMH-128615493	State Tracking #:		Company Tracking #:	20120424-08
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State:	Arkansas	Filing Company:	American Modern Home Insurance Company
TOI/Sub-TOI:	04.0 Homeowners/04.0002 Mobile Homeowners		
Product Name:	AMH Manufactured Home		
Project Name/Number:	R/R/20120424-08		

Sincerely,
Michelle Warren

State: Arkansas **Filing Company:** American Modern Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AMH Manufactured Home
Project Name/Number: R/R/20120424-08

Objection Letter

Objection Letter Status	No response necessary
Objection Letter Date	08/29/2012
Submitted Date	08/29/2012
Respond By Date	

Dear Michelle Warren,

Introduction:

This will acknowledge receipt of the recent response.

This filing is being referred to the Commissioner for review due to the requested increase amount being greater than 6%. Please do not respond at this time.

Conclusion:

In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.

Sincerely,

Becky Harrington

State: Arkansas **Filing Company:** American Modern Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AMH Manufactured Home
Project Name/Number: R/R/20120424-08

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	09/12/2012
Submitted Date	09/12/2012

Dear Becky Harrington,

Introduction:

Response 1

Comments:

Thank you

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Michelle Warren

State: Arkansas **Filing Company:** American Modern Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AMH Manufactured Home
Project Name/Number: R/R/20120424-08

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	08/17/2012
Submitted Date	08/17/2012
Respond By Date	

Dear Michelle Warren,

Introduction:

This will acknowledge receipt of the recent response.

Objection 1

Comments: Pursuant to ACA 23-88-104. when making a rate or rule filing, an insurer shall include an impact statement concerning the filing's effect on fire protection in the affected area unless the insurer utilizes a public protection classification system maintained by a licensed advisory organization. Please provide an impact statement.

Objection 2

Comments: Provide a disruption chart showing the number of insureds with increases greater than 25%.

Conclusion:

NOTICE regarding, corrections to filings and scrivener's Errors:

Effective for all filings made on or after June 1, 2011, Arkansas no longer allows the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."

In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.

Sincerely,

Becky Harrington

State:	Arkansas	Filing Company:	American Modern Home Insurance Company
TOI/Sub-TOI:	04.0 Homeowners/04.0002 Mobile Homeowners		
Product Name:	AMH Manufactured Home		
Project Name/Number:	R/R/20120424-08		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	08/28/2012
Submitted Date	08/28/2012

Dear Becky Harrington,

Introduction:

Please see our response below.

Response 1

Comments:

Protected/unprotected is defined as less than or more than 5 miles from a fire department. Location codes 10, 12, and 14 are receiving our In Park rate. The rate impact on these policyholders is 6.4%. Location codes 11, 13, 15, 16, 17, and 18 are receiving our Out Park rate. The rate impact on these policyholders is 18.8%.

- 10 In park / protected
- 11 Out of park / protected
- 12 In park / unprotected
- 13 Out of park / unprotected
- 14 In park / unknown protection
- 15 Out of park / unknown protection
- 16 Unknown location / protected
- 17 Unknown location / unprotected
- 18 Unknown location / unknown protection

Related Objection 1

Comments: Pursuant to ACA 23-88-104. when making a rate or rule filing, an insurer shall include an impact statement concerning the filing's effect on fire protection in the affected area unless the insurer utilizes a public protection classification system maintained by a licensed advisory organization. Please provide an impact statement.

Changed Items:

- No Supporting Documents changed.
- No Form Schedule items changed.
- No Rate/Rule Schedule items changed.

Response 2

Comments:

State:	Arkansas	Filing Company:	American Modern Home Insurance Company
TOI/Sub-TOI:	04.0 Homeowners/04.0002 Mobile Homeowners		
Product Name:	AMH Manufactured Home		
Project Name/Number:	R/R/20120424-08		

Please see the attached file.

Related Objection 2

Comments: Provide a disruption chart showing the number of insureds with increases greater than 25%.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Disruption Chart

Comment: Please see the attached file per your 2nd objection in your letter dated 8-17-2012.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Please let me know if you have any questions. Thank you again for your time.

Sincerely,

Michelle Warren

State: Arkansas **Filing Company:** American Modern Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AMH Manufactured Home
Project Name/Number: R/R/20120424-08

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	08/10/2012
Submitted Date	08/10/2012
Respond By Date	

Dear Michelle Warren,

Introduction:

This will acknowledge receipt of the captioned filing.

Objection 1

- Proposed Filing Pages, Page G-1;EC1-1 through EC1-2;BR-1;PR-1;RR-1;TR-1;L-1;OC-1 through OC-2 (Rate)

Comments: Please provide additional supporting documentation for the change in age of insured and age of home factors.

Objection 2

- Proposed Filing Pages, Page G-1;EC1-1 through EC1-2;BR-1;PR-1;RR-1;TR-1;L-1;OC-1 through OC-2 (Rate)

Comments: Please provide additional details and supporting documentation for the in park/out of park factors. Explain consideration given to public protection classifications or fire protection.

Conclusion:

NOTICE regarding, corrections to filings and scrivener's Errors:

Effective for all filings made on or after June 1, 2011, Arkansas no longer allows the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."

In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.

Sincerely,

Becky Harrington

State: Arkansas **Filing Company:** American Modern Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AMH Manufactured Home
Project Name/Number: R/R/20120424-08

The American Modern Home Insurance Company has used Generalized Linear Modeling to determine indicated countrywide relativities for its Mobile Home products. Models are run in-house by company associates and use Emblem software. The latest model was run in 2011 and is based on non-catastrophe policy year data from PY 2006 through the first quarter of 2011. The following variables are considered good predictors and were used in the final model:

Unit Value Relativity Curve (Amount of Insurance)
 Age of Home
 Age of Insured
 Insurance Score
 Park Status (In or Out of Park)
 Years from Inception
 Occupancy Type (Owner and Seasonal only)
 Program Type (Byline, HO-3 and Package)
 Marketing Channel
 Tier (Distance from Coast however, a non-cat model was used)
 Policy Term

Policy Year to absorb differences between the years and State to absorb differences between states were also included.

This model was compared to that run in 2009 and found to be consistent.

The indicated relativities, combined with experience and judgment form the basis for the proposed relativities. The age of home and the age of insured proposed relativities were also rebased to our countrywide base as part of this review.

Age of Unit

Unit Age	Indicated Relativity	Current Relativity	Rebased Current Relativity	Proposed Relativity
New - 1	0.80	1.00	0.86	0.80
2 - 3	0.85	1.03	0.89	0.85
4 - 5	0.93	1.08	0.93	0.93
6 - 10	1.00	1.16	1.00	1.00
11 - 15	1.19	1.19	1.03	1.19
16 - 20	1.31	1.22	1.05	1.27
21 +	1.34	1.28	1.10	1.34

Age of Insured

Insured Age	Indicated Relativity	Current Relativity	Rebased Current Relativity	Proposed Relativity
18 - 34	1.12	1.12	1.07	1.12
35 - 49	1.00	1.05	1.00	1.00
50 - 64	0.92	0.98	0.93	0.92
65 +	0.83	0.93	0.89	0.83

State: Arkansas **Filing Company:** American Modern Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AMH Manufactured Home
Project Name/Number: R/R/20120424-08

Related Objection 1

Applies To:

- Proposed Filing Pages, Page G-1;EC1-1 through EC1-2;BR-1;PR-1;RR-1;TR-1;L-1;OC-1 through OC-2 (Rate)

Comments: Please provide additional supporting documentation for the change in age of insured and age of home factors.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2**Comments:**

Please see objection 1 explanation for the in park/out of park factors. Also, we do not rate using public protection classifications. Our model shows that park status is a better risk indicator than distance to a fire department. Our definitions changed from Protected- Located within 5 road miles of a responding fire department to In Park- Mobile Home park with 26 or more occupied spaces.

Park Status

Park Status Indicated Relativity Current (Prot/Unprot) Relativity Rebased Current Relativity Proposed Relativity

In Park 0.86 1.00 1.00 1.00

Out Park 1.00 1.24 1.24 1.16

Related Objection 2

Applies To:

- Proposed Filing Pages, Page G-1;EC1-1 through EC1-2;BR-1;PR-1;RR-1;TR-1;L-1;OC-1 through OC-2 (Rate)

Comments: Please provide additional details and supporting documentation for the in park/out of park factors. Explain consideration given to public protection classifications or fire protection.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Please let me know if you have any questions. Thank you for your time.

Sincerely,

Michelle Warren

State: Arkansas **Filing Company:** American Modern Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AMH Manufactured Home
Project Name/Number: R/R/20120424-08

Note To Filer

Created By:

Becky Harrington on 09/10/2012 07:17 AM

Last Edited By:

Becky Harrington

Submitted On:

09/12/2012 09:24 AM

Subject:

Note to Reviewer of 9/7/12

Comments:

OK, thanks for the status update.

Note To Reviewer

Thank you!
Michelle Warren

State: Arkansas **Filing Company:** American Modern Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AMH Manufactured Home
Project Name/Number: R/R/20120424-08

Post Submission Update Request Processed On 09/12/2012

Status: Allowed
Created By: Michelle Warren
Processed By: Becky Harrington
Comments: Changes as requested by Commissioner

Company Rate Information:

Company Name: American Modern Home Insurance Company

Field Name	Requested Change	Prior Value
Overall % Rate Impact	15.000%	17.200%
Written Premium Change for this Program	\$1362294	\$1561097
Maximum %Change (where required)	24.800%	80.300%
Minimum %Change (where required)	-27.300%	-46.400%

State:	Arkansas	Filing Company:	American Modern Home Insurance Company
TOI/Sub-TOI:	04.0 Homeowners/04.0002 Mobile Homeowners		
Product Name:	AMH Manufactured Home		
Project Name/Number:	R/R/20120424-08		

Rate Information

Rate data applies to filing.

Filing Method:	File and Use
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	20.100%
Effective Date of Last Rate Revision:	10/01/2011
Filing Method of Last Filing:	File and Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
American Modern Home Insurance Company	17.300%	15.000%	\$1,362,294	12,948	\$8,878,069	24.800%	-27.300%

State:	Arkansas	Filing Company:	American Modern Home Insurance Company
TOI/Sub-TOI:	04.0 Homeowners/04.0002 Mobile Homeowners		
Product Name:	AMH Manufactured Home		
Project Name/Number:	R/R/20120424-08		

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 09/12/2012	Proposed Filing Pages	Page G-1;EC1-1 through EC1-2;BR-1;PR-1;RR-1;TR-1;L-1;OC-1 through OC-2	Replacement		Proposed Filing Pages.pdf

**ARKANSAS
AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

GENERAL RULES

1. POLICY TERM

All premiums and rates contained in the rate section of this manual are annual.

2. CANCELLATION

If a policy or form of coverage is cancelled at the request of the insured or by the Company, the return premium shall be calculated pro rata of the premium, subject to any applicable minimum premiums.

3. MINIMUM WRITTEN AND EARNED PREMIUM

a. No policy shall be written for less than:

- An annual minimum written premium of \$50.00.
- An annual earned premium of \$50.00.
- The minimum premium applies to the basic product only.
- For a Byline, Package, and Tenant policy, the minimum premium applies to the basic product only.
- For a Rental/Commercial policy, the minimum premium applies at the policy level.

b. The minimum earned premium is a minimum charge to be retained in full by the Company except that pro-rata cancellation may be allowed when new insurance is written by the Company within thirty (30) days, covering a different mobile home for the same named insured.

c. Pro-rata cancellation shall be allowed when the Company or its agent initiates cancellation.

4. CHANGES

a. All changes requiring adjustments of premium shall be computed pro rata.

b. If a policy is amended and results in a premium adjustment of less than \$5.00, such adjustment may be waived except that the actual return premium shall be allowed if requested by the named insured.

ARKANSAS
AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM

ELIGIBILITY AND COVERAGES

A **Manufactured Home** is a factory fabricated, transportable permanent housing unit, which is at least 8 body feet in width and built on a chassis. Designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities. It may be equipped with one or more room sections that fold, collapse, or telescope into the principal unit when being transported and which can be expanded at the site to provide additional living area; or may be built in two or more sections to be joined at the site.

An owner occupied manufactured home used as the primary residence of the insured for a period of five (5) consecutive months or more annually is eligible for the **Owner Byline Manufactured Home** or **Owner Package Manufactured Home Program**.

An owner occupied manufactured home used as the seasonal, vacation or secondary residence of the insured is eligible for the **Seasonal Byline Manufactured Home Program**.

A manufactured home rented or used commercially for light office, professional or institutional purposes is eligible for the **Rental/Commercial Manufactured Home Program**.

A manufactured home used by a tenant is eligible for the **Tenant Manufactured Home Program**.

Dwelling	Owner Byline	Owner Package	Seasonal Byline	Rental / Commercial	Tenant
Comprehensive Excluding Flood and Earthquake	X	X	X	X	
Mold and Remediation Coverage Sub-Limit (\$3,500) Combined Section I	X	X	X	X	

Other Structures	Owner Byline	Owner Package	Seasonal Byline	Rental / Commercial	Tenant
Comprehensive Excluding Flood and Earthquake	X	X	X	X	
Mold and Remediation Coverage Sub-Limit (\$3,500) Combined Section I	X	X	X	X	

Personal Property	Owner Byline	Owner Package	Seasonal Byline	Rental / Commercial	Tenant
Comprehensive Excluding Flood and Earthquake	X	X	X	X	
Named Perils Including Burglary					X
Includes Theft Coverage	X	X	X	X	
Mold and Remediation Coverage Sub-Limit (\$3,500) Combined Section I	X	X	X	X	

ARKANSAS AMERICAN MODERN HOME INSURANCE COMPANY MANUFACTURED HOME PROGRAM					
Liability	Owner Byline	Owner Package	Seasonal Byline	Rental / Commercial	Tenant
Personal Liability	X	X	X		X
Premises Liability				X	
Medical Payments to Others	X	X	X		X
Premises Medical Payments				X	
Damage to Property of Others	X	X	X		X
Mold and Remediation Exclusion	X	X	X	X	X
Animal Liability Sub-Limit \$10,000	X	X	X		X

The following Supplemental Coverages are automatically included when coverage on the manufactured home is provided:

Supplemental Coverage	Owner Byline	Owner Package	Seasonal Byline	Rental / Commercial	Tenant
Additional Living Expenses	X	X			X
Antennas and Satellite Dishes	X	X	X	X	X
Collapse	X	X	X	X	
Credit Cards, Fund Transfer Cards, Forgery, and Counterfeit Money	X	X	X		X
Emergency Removal	X	X	X	X	X
Fire Department Service Charge	X	X	X	X	X
Food Spoilage	X	X	X	X	X
Loss of Use				X	
Reasonable Repairs	X	X	X	X	
Trees, Shrubs, Plants and Lawns	X	X	X	X	
Per Occurrence Deductible (For Scheduled Units of 11+)				X	
Total Loss Deductible Waiver	X	x	x	X	
Debris Removal Coverage	X	X	X	X	

**ARKANSAS
AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

OWNER AND SEASONAL BYLINE RATES

Comprehensive Excluding Flood and Earthquake (212/222)

Product Code	Flat Base Rate	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity
212	\$379.00	\$5,000	\$1,000	JL	1.000
222	\$325.00	\$5,000	\$1,000	JL	1.000

OWNER AND SEASONAL BYLINE RATING FACTORS

Territory	Factor
50	1.00
51	1.66

Location	Factor
In Park	1.000
Out of Park	1.040

In Park - Mobile home park with 26 or more occupied spaces

Out of Park - Private property or Mobile home park with less than 25 spaces

Age of Insured	Factor
18 - 34	1.080
35 - 49	1.000
50 - 64	0.950
65 +	0.900

Age of Home	Factor
New - 1	0.860
2 - 3	0.890
4 - 5	0.930
6 - 10	1.000
11 - 15	1.020
16 - 20	1.040
21 +	1.100

**ARKANSAS
AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

OWNER PACKAGE RATES

Owner Package Manufactured Home

Comprehensive Excluding Flood and Excluding Earthquake (042)

Internal Limits for the Package		
Other Structures	Personal Property	Personal Liability
10%	50%	\$50,000

Product Code	Flat Base Rate	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity
042	\$657.00	\$7,000	\$1,000	JL	1.000

OWNER PAGE RATING FACTORS

Territory	Factor
50	1.00
51	1.66

Location	Factor
In Park	1.000
Out of Park	1.040

In Park - Mobile home park with 26 or more occupied spaces

Out of Park - Private property or Mobile home park with less than 25 spaces

Age of Insured	Factor
18 - 34	1.080
35 - 49	1.000
50 - 64	0.950
65 +	0.900

Age of Home	Factor
New - 1	0.860
2 - 3	0.890
4 - 5	0.930
6 - 10	1.000
11 - 15	1.020
16 - 20	1.040
21 +	1.100

**ARKANSAS
AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

RENTAL/COMMERCIAL RATES

Coverage: Comprehensive - Excluding Flood and Earthquake

Rate: Rates shown are for \$100 of coverage or any part thereof:

Deductible	Coverage For:	Territory 50	Territory 51
\$250	Manufactured Home (3A2)	\$2.17	\$2.97
*Maximum Per Occurrence Deductible \$2,500	Other Structures (6A2)	\$2.17	\$2.97
	Personal Property (5A2)	\$2.17	\$2.97
\$500	Manufactured Home (3B2)	\$1.94	\$2.64
*Maximum Per Occurrence Deductible \$5,000	Other Structures (6B2)	\$1.94	\$2.64
	Personal Property (5B2)	\$1.94	\$2.64
\$1,000	Manufactured Home (3C2)	\$1.66	\$2.26
*Maximum Per Occurrence Deductible \$10,000	Other Structures (6C2)	\$1.66	\$2.26
	Personal Property (5C2)	\$1.66	\$2.26
\$2,500	Manufactured Home (3D2)	\$1.18	\$1.61
*Maximum Per Occurrence Deductible \$25,000	Other Structures (6D2)	\$1.18	\$1.61
	Personal Property (5D2)	\$1.18	\$1.61

* The maximum Per Occurrence Deductible caps the aggregate deductible applied in the event covered loss occurs and multiple Rental units are damaged in a single occurrence.

**ARKANSAS
AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

TENANT RATES

Personal Property Coverage

Named Perils including Burglary (415)

Personal Property Coverage Amount	Territory 50	Territory 51
\$5,000	\$150.00	\$150.00
For each additional \$1,000 or any part thereof, add:	\$12.00	\$12.00

* \$50,000 maximum Personal Property Coverage

**ARKANSAS
AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

LIABILITY COVERAGES

NOTE: The increased limit rates provided for the Owner Package Program are for increased limits greater than those included in the program.

Personal Liability Coverage* Rates (01)

Coverage Amount	Owner Byline	Owner Package	Seasonal Byline	Tenant
\$25,000	\$20.00	N/A	\$20.00	\$20.00
\$50,000	\$35.00	Included	\$35.00	\$35.00
\$100,000	\$45.00	\$10.00	\$45.00	\$45.00
\$200,000	\$60.00	\$25.00	\$60.00	\$60.00
\$300,000	\$70.00	\$35.00	\$70.00	\$70.00

***Includes the following:**

Medical Payments to Others: \$500 each person/\$25,000 per occurrence
 Damage to Property of Others: \$500 each occurrence
 Animal Liability Limit: \$10,000

Premises Liability Coverage* & Rates (12)

Coverage Amount	Rental / Commercial
\$25,000	\$20.00
\$50,000	\$35.00
\$100,000	\$45.00
\$200,000	\$60.00
\$300,000	\$70.00

***Includes the following:**

Medical Payments to Others: \$500 each person/\$10,000 per occurrence

Medical Payments to Others Rates (02)

Coverage Amount	Owner Byline	Owner Package	Seasonal Byline	Tenant
\$1,000/ \$25,000	\$5.00	\$5.00	\$5.00	\$5.00
\$2,000/ \$25,000	\$7.00	\$7.00	\$7.00	\$7.00

Secondary Residence Liability Coverage Rates for EACH Secondary Residence (08)

Personal Liability Coverage Amount	Medical Payments to Others		
	\$500 / \$25,000	\$1,000 / \$25,000	\$2,000 / \$25,000
\$25,000	\$8.00	\$9.00	\$10.00
\$50,000	\$9.00	\$10.00	\$12.00
\$100,000	\$10.00	\$11.00	\$14.00
\$200,000	\$12.00	\$12.00	\$16.00
\$300,000	\$14.00	\$14.00	\$18.00

Selected limits must equal Personal Liability and Medical Payments limits.

Animal Liability Exclusion (32)

Only available on policies with Personal Liability Coverage.

The policy may be endorsed to remove coverage for bodily injury or property damage caused by any animal owned by, or in care or custody of any insured person.

\$3.00 credit per home, per year.

**ARKANSAS
AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

OPTIONAL COVERAGES

The following reflects annual rates unless otherwise noted.

Optional Coverage		Rate
Additional Living Expenses	Removes \$30 per day limit and increases to 20% Dwelling Limit	\$15.00 per home, per year
Antennas and Satellite Dishes	May be increased to provide additional coverage on Antennas, including but not limited to Satellite Dishes.	\$5.00 for each additional \$100 of coverage
Builders Risk Coverage	Personal liability, theft of building materials/supplies, and vandalism/malicious mischief coverages are provided from the time of the construction or permanent loan closing until the home has been delivered to the address where the insured will reside.	N/A
Building Exclusion	Removes property and liability coverage for the building described on the endorsement.	N/A
Earthquake Coverage	Provides coverage for the peril of earthquake. The deductible is 10% of the total amount of insurance per coverage, with a minimum of \$1,000. The deductible is applicable per home, per loss occurrence. Premium is fully earned.	\$.65 per \$1,000 Minimum Premium - \$15.00
Equipment Breakdown Coverage \$500 Deductible	Provides mechanical breakdown protection for systems & appliances in the home. A deductible of \$500 applies to each occurrence.	\$25.00
Fire Department Service Charge	Provides additional coverage for Fire Department Service Charge.	\$5.00 for each additional \$250 of coverage
Golf Cart Physical Damage and Liability Extension	Provides for loss or physical damage to golf carts and extends liability coverage to apply to non-commercial use of golf carts. Not available for policies without Personal Liability coverage.	\$35.00 per cart
Hobby Farming Coverage	Extends other structures, personal property & liability coverage to private, not-for-profit farming operations conducted on the residence premises by the insured.	\$40.00

**ARKANSAS
AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

OPTIONAL COVERAGES

The following reflects annual rates unless otherwise noted.

Optional Coverage		Rate
Identity Recovery Coverage	Covers identity recovery extra expense insurance and case management services. Limit: \$15,000 annual aggregate per policy period.	\$20 Per Policy
Occasional Rental	Gives permission to rent the manufactured home for residential purposes.	\$25.00 per unit, per year
Personal Property Replacement Cost	Provides replacement cost coverage for personal property. The limit of liability for this coverage must be the same as the personal property limit.	\$10.00 per home, plus \$.10 per \$100 of coverage
Replacement Cost for Partial Losses	Provides replacement cost for partial losses to the Manufactured home and other structures.	\$15.00 per home
Trip Collision	Provides for loss caused by collision to the manufactured home while it is being moved or in transit. \$100 Deductible applies. A trip is limited to 30 days. Each section of a multi-sectional manufactured home is considered a unit. Premium is fully earned.	\$25.00 per unit, per trip
Vacancy Permission	Permits the home to be vacant during the remainder of the policy year. Premium is fully earned.	\$30.00 for the remainder of the policy year
Water Back Up of Sewers or Drains	Provides coverage for losses caused by water which backs up through sewers or drains.	\$20.00 per home

State:	Arkansas	Filing Company:	American Modern Home Insurance Company
TOI/Sub-TOI:	04.0 Homeowners/04.0002 Mobile Homeowners		
Product Name:	AMH Manufactured Home		
Project Name/Number:	R/R/20120424-08		

Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	NAIC loss cost data entry document	Filed	09/12/2012
Comments:	Please see the attached revised file.		
Attachment(s):			
F319AR_NAIC Loss Cost Data Entry Doc 077.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Explanatory Memo	Filed	09/12/2012
Comments:			
Attachment(s):			
AR MH077 Explanatory Memo Rules Rates.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Indications	Filed	09/12/2012
Comments:	Please see the attached.		
Attachment(s):			
Indications.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Disruption Chart	Filed	09/12/2012
Comments:	Please see the attached revised file.		
Attachment(s):			
AR 077 Disruption Chart- Revised.pdf			

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	20120424-08
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	n/a
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	Company Name	Company NAIC Number
3.	A. American Modern Home Insurance Company	B. 361-23469

	Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
4.	A. Homeowners	B. Mobile Homeowners

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
10101	20.2	17.5					
10111	2.2	2.2					
10301	7.3	7.1					
10511	-0.7	-0.1					
10201	54.0	0.0					
TOTAL OVERALL EFFECT	17.3	15.0					

6.

5 Year History

Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2011	10,634			6,446,493	7,049,718	109.4%	77.8%
2010	13,795	1.9%	9/1/2010	8,092,803	5,053,520	62.4%	45.8%
2009	13,972	10.4%	6/1/2009	7,552,503	5,811,020	76.9%	51.0%
2008	13,964	-2.1%	3/15/2008	7,423,608	5,944,102	80.1%	54.7%
2007	14,031	3.6%	9/1/2007	7,204,959	2,970,242	41.2%	36.7%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	22.1%
B. General Expense	9.5%
C. Taxes, License & Fees	3.0%
D. Underwriting Profit & Contingencies	10.4%
E. Other (explain)	0.6% (reins)
F. TOTAL	45.6%

8. ☐ Apply Lost Cost Factors to Future filings? (Y or N)

9. ☐ Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 24.8

10. ☐ Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): -27.3

PC RLC

F 319 (Ed. 5/05) UNIFORM

**AMERICAN MODERN HOME INSURANCE COMPANY
ARKANSAS MANUFACTURED HOME PROGRAM
EXPLANATORY MEMORANDUM – RULES, RATES**

American Modern Home Insurance Company is submitting for your review and approval a rules and rate filing for our Manufactured Home Program. We are requesting this filing be made effective 12/1/2012 for new and renewal business.

General Rules

- We revised the Policy Term rule
- We removed the Multi-Year Policies rule
- We added additional wording to better explain the Minimum Written and Earned Section

Eligibility and Coverages - Supplemental Coverages

- We added Debris Removal Coverage
- We added Total Loss Deductible Waiver
- We removed EC2 as this was repetitive information included in the Optional Coverages page

Rates – Owner and Seasonal Byline, Owner and Seasonal Package, Rental/Commercial and Tenant

- We revised base rates for Byline, Package and Rental Commercial programs
- We revised Age of Insured rates for Byline and Package programs
- We revised Age of Home rates for Byline and Package programs
- We revised the Minimum Rate Value for Byline and Package programs
- We increased the maximum for Personal Property Coverage for the Tenant program
- We revised our protection classes to In Park/Out of Park. The definition is included on the rate pages.
- We added the “Maximum Per Occurrence” language to the Rental/Commercial programs

Liability Coverage

- We removed “Only available for Owner Occupancy” language under the Secondary Residence Liability (08) section

Optional Coverages

- We revised the rate for the Equipment Breakdown \$500 Deductible Coverage
- We removed the Equipment Breakdown \$250 Deductible Coverage
- We are revising our ID Fraud Expense Coverage to a broader Identity Recovery Coverage. This addition will cover identity recovery expenses and case management services.

This filing has an 17.20% impact on insureds. We feel the proposed coverages and or rates are neither excessive, inadequate, nor unfairly discriminatory.

American Modern Home Insurance Company
Arkansas
Mobile Home Standard

Exhibit 1
Page 1

Proposed Effective Date: 12/1/2012

Class	Premium in Force at 9/30/2011	Premium in Force Distribution	Indication	Balanced Indication
Mobile Home-Byline	\$243,413	2.7%	2.2%	4.6%
Mobile Home-Package	\$7,035,698	79.2%	20.2%	23.0%
Rental	\$1,259,389	14.2%	7.3%	9.8%
Seasonal-Byline	\$308,361	3.5%	-0.7%	1.6%
Tenant	\$31,208	0.4%	54.0%	57.6%
 All Classes	 \$8,878,069	 100.0%	 20.0%	 20.0%
	Weighted Experience Indication:		17.3%	

Explanatory Memorandum

The purpose of the indication is to evaluate the rate level adequacy of the above captioned program in this state. In the evaluation, we take historical premiums and losses from our experience period and project them into a future effective period - our estimate of the time period the proposed rates will be in effect. Data shown is on a direct basis, and is organized on a 12 month rolling accident year basis.

Assumptions and Methodologies

1. On Exhibits 1 and 2 we show the overall rate level indication for this product. The data adjustments used and calculations are described in the following paragraphs.
2. Earned Premiums are adjusted to current rate levels by program and then trended using the factors described below.
 - a. Rate Level Adjustment Factors take into account any approved rate changes that have an impact on the experience period. Quarterly factors (rather than annual factors) are calculated to improve accuracy. We use the average policy term length of each program, and assume the premium is earned equally throughout experience quarters. The calculated factor reflects the final rate level divided by the average rate level for each quarter. These are weighted together to obtain the annual adjustments shown here. By applying this factor to past premium, the adjustment reflects the amount of premium earned at the current rate level. Exhibit 3 outlines the Rate Level History and Rate Level Adjustment Factors.
 - b. The Premium Trend projects the current level premium in our experience periods to the average date the proposed rates will be in effect. We estimate the change in premium values over time by fitting exponential curves to various periods of current level average earned premiums by program or coverage for the state. Historical and Prospective Premium Trend Factors are selected taking into consideration the number of years experience used in the indication. The Historical Trend selection is applied using a time period from the mid-point of the experience period to the midpoint of the latest quarter of data available. The Prospective Trend selection is applied using a time period starting where the historical factor ended to the midpoint of the time the rates are anticipated to be in effect. Please see Exhibit 4.
3. Incurred Losses and ALAE are adjusted using the factors described below.
 - a. If appropriate for the indication in question, catastrophe losses are subtracted from the total losses and treated separately.
 - b. The Loss & ALAE Trend Factor projects the value of losses in our experience periods to the average date the proposed rates will be in effect. We estimate the change in loss values over time by fitting exponential curves to 5 years (20 groups of rolling 4 quarters) of Accident Year frequency and severity data. We select historical and prospective frequency and severity trends taking into consideration the number of years experience used in the indication. These are multiplied together to obtain the pure premium trend. The Historical Pure Premium Trend is applied using a time period from the mid-point of the experience period to the mid-point of the latest quarter of data used. The Prospective Pure Premium Trend is applied using a time period starting where the historical period ends, to the midpoint of the time the rates are anticipated to be in effect. Please see Exhibit 5.

Explanatory Memorandum

- c. Accident Year Incurred Losses & ALAE are used in the rate indication; therefore, losses for each year may not be fully developed. The Loss & ALAE Development Factor estimates the further development of these losses by analyzing historical patterns of American Modern Insurance Group non-catastrophe losses. We calculate quarterly factors and weight them together using each year's latest incurred losses to obtain annual numbers. Please see Exhibit 6.
 - d. A ULAE Factor is applied to the Incurred Loss & ALAE to obtain Incurred Losses & LAE. The factor is calculated based on the latest year ratio of historical ULAE to historical Incurred Loss & ALAE. Please see Exhibit 9.
 - e. The Catastrophe Load allows us to use a longer experience period to control our response to unpredictable large loss events. We rely on ISO to identify catastrophes. That definition is any event that causes a loss of at least \$25 million to the insurance industry and has a sufficient number of claims. Our adjustment involves removing such losses and applying a historical average. This provides incurred losses indicative of normal catastrophic activity for our experience period. Please see Exhibit 7 for a further description of the method used. Note - Modeled Perils are excluded from the calculation.
 - f. The Cat Factor is applied to the Trended, Adjusted Non-Cat IL & LAE to obtain the Non-Modeled Catastrophe IL & LAE.
 - g. The Total Adjusted Incurred Loss and LAE is the sum of the Trended Adjusted IL & LAE Excl Wea losses and the Trended Adjusted Wea Incurred Loss & LAE *.
- 4. The Adjusted Loss and LAE Ratio is the Total Trended Adjusted Incurred Loss & LAE divided by the Trended Current Level Earned Premium. These ratios exclude Modeled Perils.
 - 5. Normally, Accident Year weights are judgmentally selected to place greater weight on the more recent year's experience. However, when a program is growing rapidly, accident year weights may be based on Earned Premiums to avoid having an earlier year affecting the indication more than it should. Consideration may also be given to using even weights on all years when the Adjusted Loss and LAE Ratio are extremely volatile by year.
 - 6. The Weighted Experience Loss and LAE Ratio is the weighted average of the individual years Adjusted Loss and LAE Ratios and the Accident Year Weights. This ratio excludes Modeled Perils.
 - 7. The Earthquake Load calculation may be found in Exhibit 8. We model perils where our experience is inadequate to provide a reliable estimate of expected losses. The modeled average annual losses are divided by the number of exposures modeled to obtain the modeled pure premium. Factors to include ALAE and ULAE are applied, then trend (based on the average insured value) is applied. If Point of Sale policies providing Flood coverage are included in the indication, a Flood Following Hurricane factor is applied. The Adjusted Modeled Pure Premium is divided by the Average Premium to obtain the Modeled Ratio for each modeled peril. These are summed to obtain the modeled load.

Explanatory Memorandum

8. The Permissible Loss and LAE Ratio Fixed Expense Ratio and Variable Permissible Loss Ratio Calculations may be
 - a. The derivation of the Pre-Paid Commissions and Taxes, Licenses and Fees may be found at the bottom of this exhibit. Other Acquisition and General Expenses are based on Countrywide, Company Data for the Program being evaluated. The Reinsurance Expense is designed to cover the cost of our catastrophe and excess of loss experience contracts. It is a gross provision determined by reinsurance premium minus estimated reinsurance recoveries.
 - b. The Profit Provision is based on a 15% Targeted After Tax Return on Equity and a 1.8:1 Targeted Premium to Surplus Ratio.
 - c. Return on Investment Income is based on the Clifford/Sterling Formula. This calculation, and an explanation of the calculation, may be found in Exhibit 11.
9. The Complement of Credibility is the Trended Permissible Loss Ratio excluding the modeled load (which is considered fully credible.) A Loss Ratio Trend is determined based on the prospective premium and losses trends. A time exponent is based on the time from our last revision to the proposed effective date, capped at 1 years, is applied. Exhibit 12 contains the calculations.
10. Credibility is based on the square root rule, with full credibility at 40000 Earned Exposures.
11. The Credibility Weighted Loss and LAE Ratio is calculated by credibility weighting the Weighted Experience Loss & LAE Ratio* and the Complement of Credibility - Trended Permissible*, (* Note: Modeled Losses are excluded from both of these), then adding on the Earthquake LoadEarthquake Load.
12. The Indicated Rate Level Change is calculated as the $((\text{Credibility Weighted Loss \& LAE Ratio} + \text{Fixed Expense Ratio}) / \text{Variable Expense Ratio}) - 1$

American Modern Home Insurance Company
Arkansas
Mobile Home Standard
All Classes

Exhibit 2

Page 1

Rate Level Indications

	Accident Year Ending				
	9/30/2007	9/30/2008	9/30/2009	9/30/2010	9/30/2011
(1) Earned Exposures	14,074	13,958	13,990	13,801	14,098
(2) Earned Premium	7,158,729	7,383,022	7,478,870	7,955,264	8,513,998
(3) Rate Level Adjustment Factor	1.368	1.335	1.318	1.234	1.211
(4) Current Level Earned Premium	9,791,463	9,858,319	9,859,035	9,816,497	10,306,391
(5) Premium Trend Factor	1.106	1.095	1.084	1.073	1.063
(6) Trended Current Level Earned Premium	10,829,358	10,794,859	10,687,194	10,533,101	10,955,694
(7) Total Incurred Losses & ALAE	3,014,462	7,018,606	5,806,588	5,688,101	8,764,763
(8) Weather Incurred Losses & ALAE	617,493	4,434,314	3,146,599	2,027,472	5,043,779
(9) IL & ALAE Excl Wea losses	2,396,969	2,584,292	2,659,990	3,660,628	3,720,984
(10) Incurred Loss & ALAE Trend Factor	1.684	1.529	1.389	1.262	1.146
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.996	0.996	1.021
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	4,097,044	4,002,631	3,735,146	4,670,253	4,419,103
(14) Weather Factor	0.652	0.652	0.652	0.652	0.652
(15) Trended Adjusted Wea Incurred Loss & LAE *	2,671,272	2,609,716	2,435,315	3,045,005	2,881,255
(16) Total Trended Adjusted Incurred Loss & LAE	6,768,316	6,612,347	6,170,461	7,715,258	7,300,358
(17) Adjusted Loss & LAE Ratio *	0.625	0.613	0.577	0.732	0.666
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	817	1,088	1,177	1,177	1,108
(20) Weighted Experience Loss & LAE Ratio*					0.653
(21) Earthquake Load					0.001
(22) Permissible Loss & LAE Ratio					0.544
(23) Fixed Expense Ratio					0.006
(24) Variable Expense Ratio					0.450
(25) Complement of Credibility - Trended Permissible*					0.556
(26) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					1.000
(27) Credibility Weighted Loss & LAE Ratio					0.654
(28) Credibility Weighted Indicated Rate Level Change					20.0%

* Excluding Earthquake Load

American Modern Home Insurance Company
Arkansas
Mobile Home Standard
Mobile Home-Byline

Exhibit 2

Page 2

Rate Level Indications

	Accident Year Ending				
	9/30/2007	9/30/2008	9/30/2009	9/30/2010	9/30/2011
(1) Earned Exposures	409	393	382	379	401
(2) Earned Premium	199,636	200,536	199,256	203,521	227,001
(3) Rate Level Adjustment Factor	1.172	1.127	1.095	1.090	1.088
(4) Current Level Earned Premium	234,030	226,037	218,266	221,782	246,977
(5) Premium Trend Factor	1.183	1.168	1.153	1.138	1.123
(6) Trended Current Level Earned Premium	276,858	264,011	251,661	252,388	277,355
(7) Total Incurred Losses & ALAE	23,619	92,599	75,507	150,034	202,169
(8) Weather Incurred Losses & ALAE	10,067	35,073	50,225	41,472	93,980
(9) IL & ALAE Excl Wea losses	13,552	57,526	25,282	108,563	108,188
(10) Incurred Loss & ALAE Trend Factor	1.684	1.529	1.389	1.262	1.146
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.996	0.996	1.021
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	23,164	89,098	35,501	138,505	128,486
(14) WeatherFactor	0.652	0.652	0.652	0.652	0.652
(15) Trended Adjusted Wea Incurred Loss & LAE *	15,103	58,092	23,146	90,305	83,773
(16) Total Trended Adjusted Incurred Loss & LAE	38,267	147,190	58,647	228,810	212,259
(17) Adjusted Loss & LAE Ratio *	0.138	0.558	0.233	0.907	0.765
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	15	23	26	45	32
(20) Weighted Experience Loss & LAE Ratio *					0.600
(21) Earthquake Load					-
(22) Permissible Loss & LAE Ratio					0.544
(23) Fixed Expense Ratio					0.006
(24) Variable Expense Ratio					0.450
(25) Complement of Credibility - Trended Permissible*					0.544
(26) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.222
(27) Credibility Weighted Loss & LAE Ratio					0.556
(28) Credibility Weighted Indicated Rate Level Change					2.2%

* Excluding Earthquake Load

American Modern Home Insurance Company
Arkansas
Mobile Home Standard
Mobile Home-Package

Exhibit 2

Page 3

Rate Level Indications

	Accident Year Ending				
	9/30/2007	9/30/2008	9/30/2009	9/30/2010	9/30/2011
(1) Earned Exposures	9,821	9,717	9,613	9,409	9,533
(2) Earned Premium	5,770,498	5,945,490	5,955,145	6,373,254	6,781,169
(3) Rate Level Adjustment Factor	1.459	1.421	1.403	1.293	1.262
(4) Current Level Earned Premium	8,419,156	8,446,062	8,352,621	8,238,523	8,560,848
(5) Premium Trend Factor	1.093	1.082	1.071	1.061	1.050
(6) Trended Current Level Earned Premium	9,202,138	9,138,639	8,945,657	8,741,073	8,988,890
(7) Total Incurred Losses & ALAE	2,542,214	6,252,770	4,995,843	4,804,491	7,380,563
(8) Weather Incurred Losses & ALAE	558,377	3,965,415	2,690,368	1,815,986	4,377,127
(9) IL & ALAE Excl Wea losses	1,983,836	2,287,354	2,305,475	2,988,505	3,003,436
(10) Incurred Loss & ALAE Trend Factor	1.684	1.529	1.389	1.262	1.146
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.996	0.996	1.021
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	3,390,892	3,542,726	3,237,338	3,812,754	3,566,931
(14) WeatherFactor	0.652	0.652	0.652	0.652	0.652
(15) Trended Adjusted Wea Incurred Loss & LAE *	2,210,862	2,309,857	2,110,745	2,485,915	2,325,639
(16) Total Trended Adjusted Incurred Loss & LAE	5,601,754	5,852,583	5,348,083	6,298,669	5,892,570
(17) Adjusted Loss & LAE Ratio *	0.609	0.640	0.598	0.721	0.656
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	704	932	1,002	959	900
(20) Weighted Experience Loss & LAE Ratio *					0.654
(21) Earthquake Load					0.001
(22) Permissible Loss & LAE Ratio					0.544
(23) Fixed Expense Ratio					0.006
(24) Variable Expense Ratio					0.450
(25) Complement of Credibility - Trended Permissible*					0.559
(26) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					1.000
(27) Credibility Weighted Loss & LAE Ratio					0.655
(28) Credibility Weighted Indicated Rate Level Change					20.2%

* Excluding Earthquake Load

American Modern Home Insurance Company
Arkansas
Mobile Home Standard
Rental

Exhibit 2

Page 4

Rate Level Indications

	Accident Year Ending				
	9/30/2007	9/30/2008	9/30/2009	9/30/2010	9/30/2011
(1) Earned Exposures	3,288	3,288	3,409	3,420	3,530
(2) Earned Premium	937,354	977,541	1,043,528	1,087,430	1,189,181
(3) Rate Level Adjustment Factor	1.000	1.000	1.000	1.000	1.000
(4) Current Level Earned Premium	937,354	977,541	1,043,528	1,087,430	1,189,181
(5) Premium Trend Factor	1.331	1.279	1.229	1.181	1.135
(6) Trended Current Level Earned Premium	1,247,618	1,250,275	1,282,496	1,284,255	1,349,721
(7) Total Incurred Losses & ALAE	291,079	574,974	501,284	551,190	1,005,547
(8) Weather Incurred Losses & ALAE	39,221	345,800	301,653	130,805	470,111
(9) IL & ALAE Excl Wea losses	251,858	229,174	199,631	420,385	535,436
(10) Incurred Loss & ALAE Trend Factor	1.684	1.529	1.389	1.262	1.146
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.996	0.996	1.021
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	430,491	354,952	280,321	536,330	635,893
(14) WeatherFactor	0.652	0.652	0.652	0.652	0.652
(15) Trended Adjusted Wea Incurred Loss & LAE *	280,680	231,429	182,769	349,687	414,602
(16) Total Trended Adjusted Incurred Loss & LAE	711,171	586,381	463,090	886,017	1,050,495
(17) Adjusted Loss & LAE Ratio *	0.570	0.469	0.361	0.690	0.778
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	77	117	103	142	142
(20) Weighted Experience Loss & LAE Ratio *					0.605
(21) Earthquake Load					-
(22) Permissible Loss & LAE Ratio					0.544
(23) Fixed Expense Ratio					0.006
(24) Variable Expense Ratio					0.450
(25) Complement of Credibility - Trended Permissible*					0.544
(26) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.651
(27) Credibility Weighted Loss & LAE Ratio					0.584
(28) Credibility Weighted Indicated Rate Level Change					7.3%

* Excluding Earthquake Load

American Modern Home Insurance Company
Arkansas
Mobile Home Standard
Seasonal-Byline

Exhibit 2

Page 5

Rate Level Indications

	Accident Year Ending				
	9/30/2007	9/30/2008	9/30/2009	9/30/2010	9/30/2011
(1) Earned Exposures	485	479	503	512	543
(2) Earned Premium	229,640	235,938	257,034	267,361	288,983
(3) Rate Level Adjustment Factor	1.060	1.029	1.007	1.002	1.000
(4) Current Level Earned Premium	243,376	242,762	258,878	267,812	288,983
(5) Premium Trend Factor	1.108	1.092	1.076	1.060	1.045
(6) Trended Current Level Earned Premium	269,661	265,096	278,553	283,881	301,987
(7) Total Incurred Losses & ALAE	129,496	97,149	149,085	153,389	123,045
(8) Weather Incurred Losses & ALAE	9,541	87,550	102,930	37,199	101,329
(9) IL & ALAE Excl Wea losses	119,956	9,599	46,155	116,190	21,716
(10) Incurred Loss & ALAE Trend Factor	1.684	1.529	1.389	1.262	1.146
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.996	0.996	1.021
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	205,035	14,868	64,810	148,236	25,791
(14) WeatherFactor	0.652	0.652	0.652	0.652	0.652
(15) Trended Adjusted Wea Incurred Loss & LAE *	133,683	9,694	42,256	96,650	16,816
(16) Total Trended Adjusted Incurred Loss & LAE	338,718	24,562	107,066	244,886	42,607
(17) Adjusted Loss & LAE Ratio *	1.256	0.093	0.384	0.863	0.141
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	18	14	39	27	25
(20) Weighted Experience Loss & LAE Ratio *					0.474
(21) Earthquake Load					-
(22) Permissible Loss & LAE Ratio					0.544
(23) Fixed Expense Ratio					0.006
(24) Variable Expense Ratio					0.450
(25) Complement of Credibility - Trended Permissible*					0.562
(26) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.251
(27) Credibility Weighted Loss & LAE Ratio					0.540
(28) Credibility Weighted Indicated Rate Level Change					-0.7%

* Excluding Earthquake Load

American Modern Home Insurance Company
Arkansas
Mobile Home Standard
Tenant

Exhibit 2

Page 6

Rate Level Indications

	Accident Year Ending				
	9/30/2007	9/30/2008	9/30/2009	9/30/2010	9/30/2011
(1) Earned Exposures	71	80	82	81	91
(2) Earned Premium	21,602	23,518	23,907	23,699	27,665
(3) Rate Level Adjustment Factor	1.000	1.000	1.000	1.000	1.000
(4) Current Level Earned Premium	21,602	23,518	23,907	23,699	27,665
(5) Premium Trend Factor	1.090	1.088	1.086	1.084	1.082
(6) Trended Current Level Earned Premium	23,546	25,587	25,963	25,690	29,933
(7) Total Incurred Losses & ALAE	28,054	1,114	84,870	28,996	53,440
(8) Weather Incurred Losses & ALAE	287	476	1,422	2,011	1,232
(9) IL & ALAE Excl Wea losses	27,767	638	83,447	26,985	52,207
(10) Incurred Loss & ALAE Trend Factor	1.684	1.529	1.389	1.262	1.146
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.996	0.996	1.021
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	47,462	988	117,176	34,428	62,002
(14) WeatherFactor	0.652	0.652	0.652	0.652	0.652
(15) Trended Adjusted Wea Incurred Loss & LAE *	30,945	644	76,399	22,447	40,425
(16) Total Trended Adjusted Incurred Loss & LAE	78,407	1,632	193,575	56,875	102,427
(17) Adjusted Loss & LAE Ratio *	3.330	0.064	7.456	2.214	3.422
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	3	2	7	4	9
(20) Weighted Experience Loss & LAE Ratio *					3.414
(21) Earthquake Load					-
(22) Permissible Loss & LAE Ratio					0.544
(23) Fixed Expense Ratio					0.006
(24) Variable Expense Ratio					0.450
(25) Complement of Credibility - Trended Permissible*					0.552
(26) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.101
(27) Credibility Weighted Loss & LAE Ratio					0.841
(28) Credibility Weighted Indicated Rate Level Change					54.0%

* Excluding Earthquake Load

Rate History

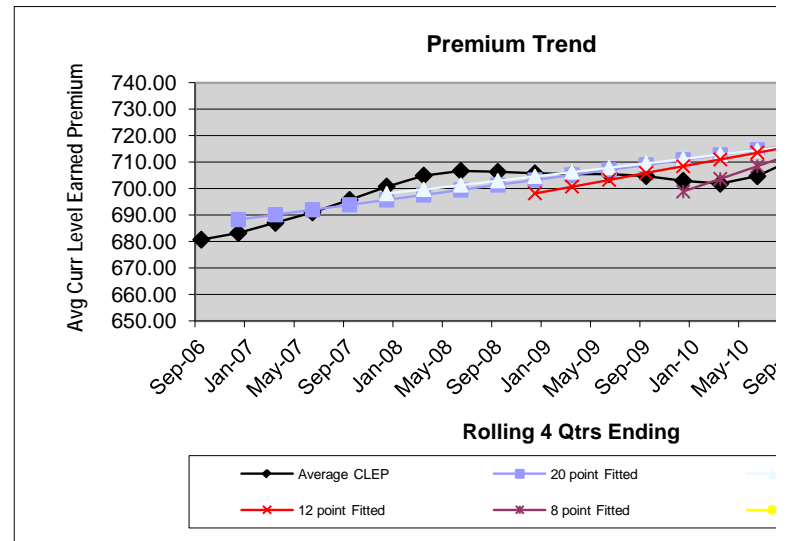
Rates Changes by Class						
Effective Date	All Classes	Mobile Home-Byline	Mobile Home-Package	Rental	Seasonal-Byline	Tenant
10/1/2011	20.1%	8.8%	25.0%	0.0%	0.0%	0.0%
9/1/2010	1.9%	0.0%	2.4%	0.0%	0.0%	0.0%
6/1/2009	10.4%	0.7%	2.3%	0.0%	0.8%	0.0%
3/15/2008	-2.1%	0.0%	0.0%	0.0%	0.0%	0.0%
9/1/2007	3.6%	7.0%	4.1%	0.0%	5.2%	0.0%

Rate Level Adjustment Factor						
Accident Year Ending	All Classes	Mobile Home-Byline	Mobile Home-Package	Rental	Seasonal-Byline	Tenant
9/30/2007	1.368	1.172	1.459	1.000	1.060	1.000
9/30/2008	1.335	1.127	1.421	1.000	1.029	1.000
9/30/2009	1.318	1.095	1.403	1.000	1.007	1.000
9/30/2010	1.234	1.090	1.293	1.000	1.002	1.000
9/30/2011	1.211	1.088	1.262	1.000	1.000	1.000

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
9/30/2006	9,652,181	14,180	680.71					
12/31/2006	9,670,806	14,155	683.23	688.30				
3/31/2007	9,693,887	14,109	687.05	690.15				
6/30/2007	9,734,168	14,086	691.03	692.01				
9/30/2007	9,791,463	14,074	695.73	693.87				
12/31/2007	9,832,271	14,031	700.76	695.74	698.10			
3/31/2008	9,863,366	13,992	704.91	697.62	699.72			
6/30/2008	9,870,436	13,967	706.68	699.49	701.35			
9/30/2008	9,858,319	13,958	706.31	701.38	702.99			
12/31/2008	9,855,249	13,964	705.75	703.27	704.63	698.22		
3/31/2009	9,851,433	13,963	705.54	705.16	706.27	700.76		
6/30/2009	9,868,745	13,989	705.49	707.06	707.91	703.31		
9/30/2009	9,859,035	13,990	704.74	708.96	709.56	705.87		
12/31/2009	9,821,945	13,972	702.95	710.87	711.22	708.44	698.89	
3/31/2010	9,785,121	13,942	701.83	712.79	712.87	711.02	703.68	
6/30/2010	9,772,473	13,868	704.67	714.71	714.53	713.60	708.50	
9/30/2010	9,816,497	13,801	711.28	716.63	716.20	716.20	713.36	
12/31/2010	9,916,905	13,795	718.90	718.56	717.87	718.80	718.25	720.51
3/31/2011	10,035,985	13,821	726.14	720.49	719.54	721.42	723.17	724.55
6/30/2011	10,172,386	13,929	730.30	722.43	721.22	724.04	728.12	728.61
9/30/2011	10,306,391	14,098	731.04	724.38	722.90	726.68	733.11	732.70

Annual Premium Trend	
20 point fit	1.1%
16 point fit	0.9%
12 point fit	1.5%
8 point fit	2.8%
4 point fit	2.3%
Historical Selected	1.0%
Prospective Selected	2.5%

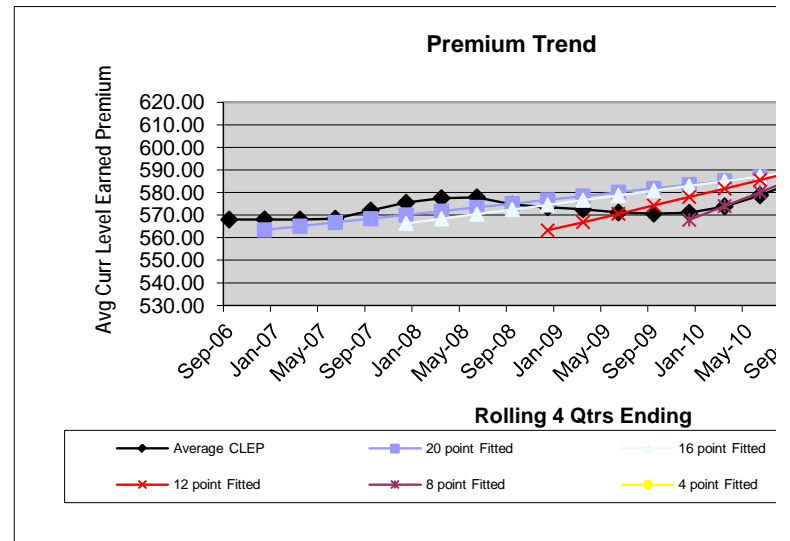


Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
9/30/2007	3/31/2007	8/15/2011	4.375	8/15/2011	12/1/2013	2.294	1.106
9/30/2008	3/31/2008	8/15/2011	3.375	8/15/2011	12/1/2013	2.294	1.095
9/30/2009	3/31/2009	8/15/2011	2.375	8/15/2011	12/1/2013	2.294	1.084
9/30/2010	3/31/2010	8/15/2011	1.375	8/15/2011	12/1/2013	2.294	1.073
9/30/2011	3/31/2011	8/15/2011	0.375	8/15/2011	12/1/2013	2.294	1.063

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
9/30/2006	245,893	433	568.01					
12/31/2006	240,840	424	568.10	563.43				
3/31/2007	237,591	418	568.06	565.07				
6/30/2007	235,548	414	568.41	566.72				
9/30/2007	234,030	409	572.03	568.38				
12/31/2007	232,676	404	575.47	570.04	566.30			
3/31/2008	230,930	400	577.48	571.70	568.35			
6/30/2008	228,563	396	577.88	573.37	570.40			
9/30/2008	226,037	393	574.71	575.05	572.46			
12/31/2008	224,158	391	573.50	576.72	574.52	563.21		
3/31/2009	221,046	386	572.52	578.41	576.59	566.87		
6/30/2009	219,269	384	571.15	580.10	578.67	570.55		
9/30/2009	218,266	382	570.64	581.79	580.76	574.26		
12/31/2009	218,495	383	571.05	583.49	582.86	577.99	567.87	
3/31/2010	219,109	382	573.84	585.19	584.96	581.74	573.98	
6/30/2010	220,222	380	578.77	586.90	587.07	585.52	580.16	
9/30/2010	221,782	379	584.78	588.62	589.19	589.32	586.41	
12/31/2010	224,278	380	590.54	590.34	591.31	593.15	592.72	590.16
3/31/2011	229,756	384	598.04	592.06	593.45	597.01	599.10	598.22
6/30/2011	238,064	393	605.59	593.79	595.59	600.89	605.55	606.39
9/30/2011	246,977	401	615.28	595.52	597.73	604.79	612.07	614.68

Annual Premium Trend	
20 point fit	1.2%
16 point fit	1.5%
12 point fit	2.6%
8 point fit	4.4%
4 point fit	5.6%
Historical Selected	1.3%
Prospective Selected	5.0%

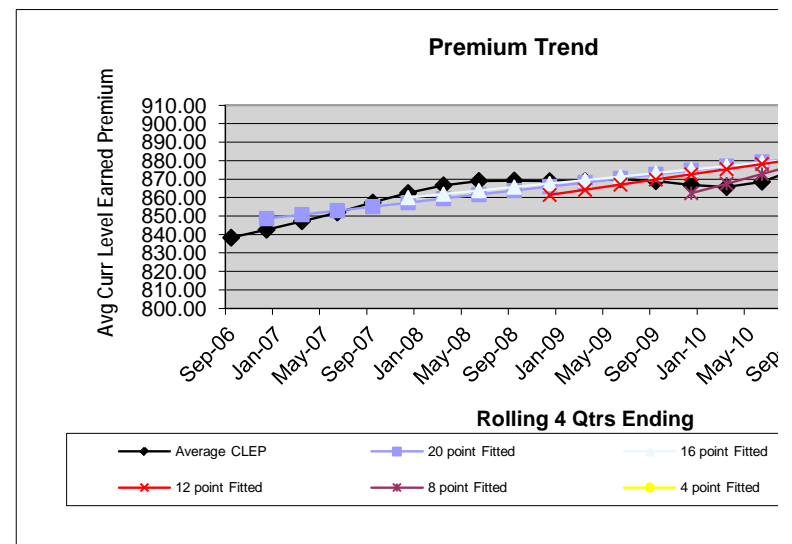


Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
9/30/2007	3/31/2007	8/15/2011	4.375	8/15/2011	12/1/2013	2.294	1.183
9/30/2008	3/31/2008	8/15/2011	3.375	8/15/2011	12/1/2013	2.294	1.168
9/30/2009	3/31/2009	8/15/2011	2.375	8/15/2011	12/1/2013	2.294	1.153
9/30/2010	3/31/2010	8/15/2011	1.375	8/15/2011	12/1/2013	2.294	1.138
9/30/2011	3/31/2011	8/15/2011	0.375	8/15/2011	12/1/2013	2.294	1.123

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
9/30/2006	8,327,310	9,934	838.26					
12/31/2006	8,340,175	9,898	842.58	848.61				
3/31/2007	8,352,534	9,859	847.20	850.77				
6/30/2007	8,376,267	9,832	851.91	852.92				
9/30/2007	8,419,156	9,821	857.29	855.09				
12/31/2007	8,448,552	9,796	862.43	857.26	859.98			
3/31/2008	8,466,929	9,770	866.64	859.43	861.87			
6/30/2008	8,467,122	9,743	869.00	861.61	863.77			
9/30/2008	8,446,062	9,717	869.22	863.80	865.66			
12/31/2008	8,429,416	9,702	868.88	865.99	867.56	861.38		
3/31/2009	8,409,306	9,678	868.93	868.19	869.47	864.15		
6/30/2009	8,395,280	9,650	869.94	870.39	871.38	866.93		
9/30/2009	8,352,621	9,613	868.87	872.60	873.29	869.72		
12/31/2009	8,286,871	9,560	866.86	874.81	875.21	872.52	862.36	
3/31/2010	8,229,470	9,507	865.67	877.03	877.13	875.33	867.52	
6/30/2010	8,204,047	9,445	868.59	879.26	879.06	878.15	872.71	
9/30/2010	8,238,523	9,409	875.63	881.49	880.99	880.98	877.93	
12/31/2010	8,316,013	9,407	884.03	883.72	882.92	883.81	883.19	885.21
3/31/2011	8,399,667	9,425	891.24	885.97	884.86	886.66	888.47	889.79
6/30/2011	8,485,150	9,480	895.06	888.21	886.80	889.51	893.79	894.38
9/30/2011	8,560,848	9,533	898.06	890.47	888.75	892.38	899.14	899.00

Annual Premium Trend	
20 point fit	1.0%
16 point fit	0.9%
12 point fit	1.3%
8 point fit	2.4%
4 point fit	2.1%
Historical Selected	1.0%
Prospective Selected	2.0%

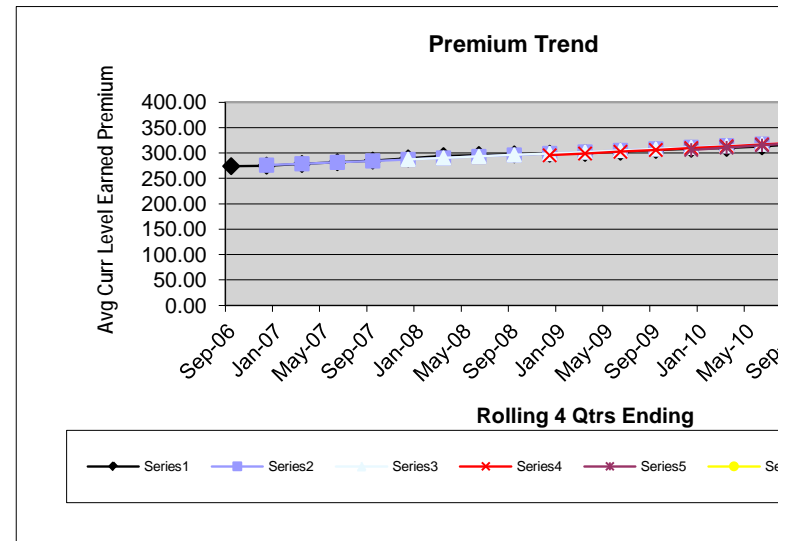


Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
9/30/2007	3/31/2007	8/15/2011	4.375	8/15/2011	12/1/2013	2.294	1.093
9/30/2008	3/31/2008	8/15/2011	3.375	8/15/2011	12/1/2013	2.294	1.082
9/30/2009	3/31/2009	8/15/2011	2.375	8/15/2011	12/1/2013	2.294	1.071
9/30/2010	3/31/2010	8/15/2011	1.375	8/15/2011	12/1/2013	2.294	1.061
9/30/2011	3/31/2011	8/15/2011	0.375	8/15/2011	12/1/2013	2.294	1.050

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
9/30/2006	897,139	3,273	274.10					
12/31/2006	905,328	3,291	275.12	276.08				
3/31/2007	914,757	3,286	278.35	278.85				
6/30/2007	927,460	3,290	281.89	281.65				
9/30/2007	937,354	3,288	285.08	284.48				
12/31/2007	946,760	3,271	289.40	287.33	287.58			
3/31/2008	959,611	3,265	293.95	290.22	290.44			
6/30/2008	968,247	3,270	296.09	293.13	293.33			
9/30/2008	977,541	3,288	297.33	296.07	296.24			
12/31/2008	987,539	3,307	298.62	299.04	299.19	295.48		
3/31/2009	998,540	3,326	300.21	302.04	302.16	298.95		
6/30/2009	1,020,879	3,374	302.55	305.08	305.16	302.46		
9/30/2009	1,043,528	3,409	306.12	308.14	308.20	306.02		
12/31/2009	1,061,380	3,442	308.40	311.23	311.26	309.62	306.21	
3/31/2010	1,074,278	3,465	310.05	314.36	314.36	313.25	310.62	
6/30/2010	1,081,491	3,452	313.26	317.51	317.48	316.94	315.09	
9/30/2010	1,087,430	3,420	317.97	320.70	320.64	320.66	319.63	
12/31/2010	1,102,399	3,407	323.56	323.92	323.82	324.43	324.23	324.94
3/31/2011	1,124,333	3,402	330.48	327.17	327.04	328.24	328.90	329.45
6/30/2011	1,154,685	3,434	336.22	330.45	330.29	332.10	333.63	334.03
9/30/2011	1,189,181	3,530	336.84	333.77	333.58	336.00	338.43	338.66

Annual Premium Trend	
20 point fit	4.1%
16 point fit	4.0%
12 point fit	4.8%
8 point fit	5.9%
4 point fit	5.7%
Historical Selected	4.1%
Prospective Selected	5.0%

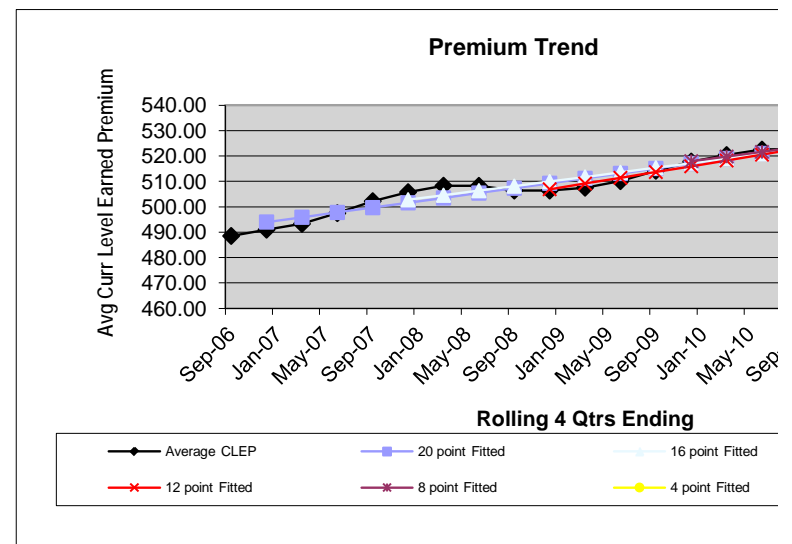


Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
9/30/2007	3/31/2007	8/15/2011	4.375	8/15/2011	12/1/2013	2.294	1.331
9/30/2008	3/31/2008	8/15/2011	3.375	8/15/2011	12/1/2013	2.294	1.279
9/30/2009	3/31/2009	8/15/2011	2.375	8/15/2011	12/1/2013	2.294	1.229
9/30/2010	3/31/2010	8/15/2011	1.375	8/15/2011	12/1/2013	2.294	1.181
9/30/2011	3/31/2011	8/15/2011	0.375	8/15/2011	12/1/2013	2.294	1.135

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
9/30/2006	234,969	481	488.52					
12/31/2006	235,272	479	490.98	494.00				
3/31/2007	236,874	480	493.28	495.89				
6/30/2007	239,653	482	497.50	497.77				
9/30/2007	243,376	485	502.21	499.67				
12/31/2007	244,495	483	505.76	501.57	502.77			
3/31/2008	243,997	480	508.31	503.48	504.55			
6/30/2008	242,730	478	508.25	505.40	506.34			
9/30/2008	242,762	479	506.38	507.32	508.14			
12/31/2008	245,340	485	506.38	509.26	509.94	506.91		
3/31/2009	249,901	492	507.52	511.20	511.75	509.15		
6/30/2009	254,859	500	510.09	513.14	513.56	511.41		
9/30/2009	258,878	503	514.19	515.10	515.39	513.67		
12/31/2009	263,028	508	517.82	517.06	517.21	515.95	517.98	
3/31/2010	265,366	510	520.38	519.03	519.05	518.23	519.80	
6/30/2010	266,754	511	522.53	521.00	520.89	520.53	521.62	
9/30/2010	267,812	512	522.82	522.99	522.74	522.83	523.45	
12/31/2010	270,864	517	524.40	524.98	524.59	525.15	525.29	524.09
3/31/2011	274,655	522	526.41	526.98	526.46	527.47	527.13	526.61
6/30/2011	281,047	532	528.63	528.99	528.32	529.81	528.98	529.14
9/30/2011	288,983	543	532.10	531.00	530.20	532.15	530.84	531.69

Annual Premium Trend	
20 point fit	1.5%
16 point fit	1.4%
12 point fit	1.8%
8 point fit	1.4%
4 point fit	1.9%
Historical Selected	1.5%
Prospective Selected	1.7%

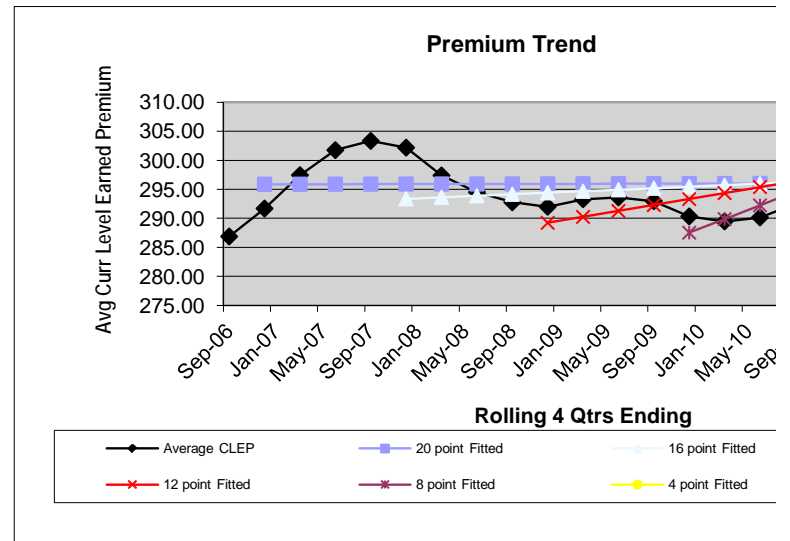


Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
9/30/2007	3/31/2007	8/15/2011	4.375	8/15/2011	12/1/2013	2.294	1.108
9/30/2008	3/31/2008	8/15/2011	3.375	8/15/2011	12/1/2013	2.294	1.092
9/30/2009	3/31/2009	8/15/2011	2.375	8/15/2011	12/1/2013	2.294	1.076
9/30/2010	3/31/2010	8/15/2011	1.375	8/15/2011	12/1/2013	2.294	1.060
9/30/2011	3/31/2011	8/15/2011	0.375	8/15/2011	12/1/2013	2.294	1.045

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
9/30/2006	16,827	59	286.87					
12/31/2006	18,194	62	291.68	295.86				
3/31/2007	19,482	65	297.44	295.87				
6/30/2007	20,430	68	301.75	295.88				
9/30/2007	21,602	71	303.34	295.89				
12/31/2007	22,783	75	302.18	295.90	293.36			
3/31/2008	23,225	78	297.38	295.91	293.62			
6/30/2008	23,764	81	294.51	295.92	293.88			
9/30/2008	23,518	80	292.76	295.93	294.14			
12/31/2008	23,430	80	291.99	295.94	294.40	289.22		
3/31/2009	23,639	81	293.28	295.95	294.66	290.24		
6/30/2009	23,610	80	293.59	295.96	294.92	291.26		
9/30/2009	23,907	82	292.95	295.97	295.18	292.28		
12/31/2009	23,411	81	290.33	295.97	295.44	293.31	287.52	
3/31/2010	22,871	79	289.46	295.98	295.71	294.34	289.87	
6/30/2010	23,053	79	290.15	295.99	295.97	295.37	292.23	
9/30/2010	23,699	81	292.48	296.00	296.23	296.41	294.61	
12/31/2010	24,996	84	296.88	296.01	296.49	297.45	297.02	297.10
3/31/2011	26,462	88	299.76	296.02	296.75	298.50	299.44	299.77
6/30/2011	27,269	90	303.17	296.03	297.02	299.55	301.88	302.46
9/30/2011	27,665	91	304.70	296.04	297.28	300.60	304.34	305.18

Annual Premium Trend	
20 point fit	0.0%
16 point fit	0.4%
12 point fit	1.4%
8 point fit	3.3%
4 point fit	3.6%
Historical Selected	0.2%
Prospective Selected	3.5%



Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
9/30/2007	3/31/2007	8/15/2011	4.375	8/15/2011	12/1/2013	2.294	1.090
9/30/2008	3/31/2008	8/15/2011	3.375	8/15/2011	12/1/2013	2.294	1.088
9/30/2009	3/31/2009	8/15/2011	2.375	8/15/2011	12/1/2013	2.294	1.086
9/30/2010	3/31/2010	8/15/2011	1.375	8/15/2011	12/1/2013	2.294	1.084
9/30/2011	3/31/2011	8/15/2011	0.375	8/15/2011	12/1/2013	2.294	1.082

Loss Trend

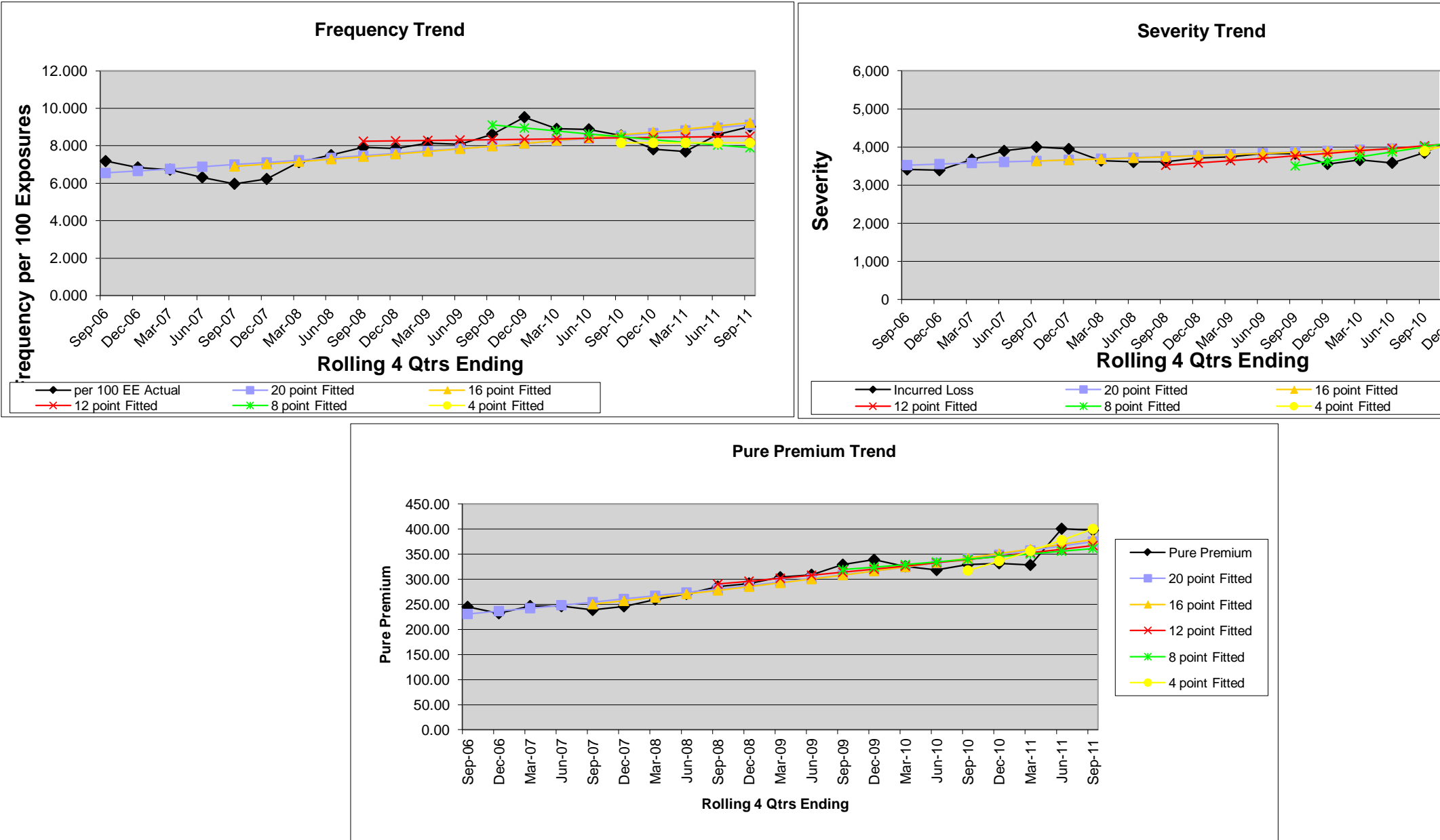
Loss Trend Based on AR + KY + MO + TN Region - American Modern Insurance Group Data Excluding Catastrophe Losses

Accident Period 4 Qtrs Ending	Ultimate Reported Claim Counts	Ultimate Non-Cat Incurred Loss & ALAE	Earned Exposures	Frequency					Severity						
				Frequency per 100 EE Actual	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted	Average Incurred Loss	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
9/30/2006	6,214	21,203,091	86,532	7.181	6.547					3,412	3,526				
12/31/2006	5,917	20,065,002	86,441	6.845	6.656					3,391	3,553				
3/31/2007	5,805	21,300,400	86,346	6.723	6.767					3,669	3,581				
6/30/2007	5,449	21,249,908	86,293	6.315	6.880					3,900	3,609				
9/30/2007	5,153	20,614,579	86,334	5.968	6.994	6.895				4,001	3,637	3,630			
12/31/2007	5,371	21,211,706	86,225	6.229	7.111	7.022				3,950	3,665	3,658			
3/31/2008	6,138	22,370,245	86,126	7.126	7.230	7.151				3,645	3,693	3,687			
6/30/2008	6,443	23,245,312	85,901	7.501	7.350	7.282				3,608	3,722	3,716			
9/30/2008	6,770	24,431,729	85,576	7.911	7.473	7.416	8.241			3,609	3,751	3,745	3,523		
12/31/2008	6,686	24,829,074	85,123	7.855	7.598	7.553	8.263			3,713	3,780	3,774	3,583		
3/31/2009	6,882	25,720,599	84,589	8.135	7.724	7.691	8.285			3,738	3,809	3,803	3,644		
6/30/2009	6,787	25,985,883	84,097	8.071	7.853	7.833	8.307			3,829	3,839	3,833	3,706		
9/30/2009	7,196	27,512,816	83,594	8.608	7.984	7.977	8.329	9.107		3,823	3,868	3,863	3,769	3,503	
12/31/2009	7,930	28,206,729	83,242	9.526	8.117	8.123	8.351	8.945		3,557	3,898	3,893	3,833	3,623	
3/31/2010	7,382	27,006,923	82,921	8.903	8.253	8.273	8.373	8.786		3,658	3,929	3,924	3,898	3,746	
6/30/2010	7,345	26,338,014	82,729	8.878	8.391	8.425	8.396	8.630		3,586	3,959	3,955	3,965	3,874	
9/30/2010	7,077	27,238,486	82,728	8.554	8.531	8.580	8.418	8.477	8.153	3,849	3,990	3,985	4,032	4,006	3,894
12/31/2010	6,472	27,492,696	82,859	7.811	8.673	8.737	8.440	8.326	8.154	4,248	4,021	4,017	4,101	4,143	4,126
3/31/2011	6,387	27,271,285	83,037	7.691	8.818	8.898	8.463	8.179	8.154	4,270	4,052	4,048	4,170	4,284	4,371
6/30/2011	7,155	33,335,112	83,191	8.600	8.965	9.062	8.485	8.033	8.154	4,659	4,083	4,080	4,241	4,430	4,632
9/30/2011	7,536	33,221,354	83,567	9.018	9.114	9.228	8.508	7.891	8.155	4,408	4,115	4,112	4,313	4,581	4,907

Accident Period 4 Qtrs Ending	Pure Premium					
	Pure Premium	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
9/30/2006	245.03	230.84				
12/31/2006	232.12	236.51				
3/31/2007	246.69	242.32				
6/30/2007	246.25	248.27				
9/30/2007	238.78	254.37	250.28			
12/31/2007	246.01	260.61	256.87			
3/31/2008	259.74	267.02	263.64			
6/30/2008	270.61	273.58	270.59			
9/30/2008	285.50	280.30	277.71	290.31		
12/31/2008	291.68	287.18	285.03	296.04		
3/31/2009	304.07	294.23	292.54	301.88		
6/30/2009	309.00	301.46	300.25	307.83		
9/30/2009	329.13	308.87	308.16	313.90	319.07	
12/31/2009	338.85	316.45	316.28	320.09	324.08	
3/31/2010	325.70	324.23	324.61	326.41	329.18	
6/30/2010	318.36	332.19	333.16	332.84	334.36	
9/30/2010	329.25	340.35	341.94	339.41	339.61	317.47
12/31/2010	331.80	348.71	350.95	346.10	344.95	336.39
3/31/2011	328.42	357.28	360.19	352.93	350.38	356.44
6/30/2011	400.71	366.06	369.68	359.89	355.89	377.69
9/30/2011	397.54	375.05	379.42	366.99	361.48	400.20

Annual Loss Trend			
	Frequency	Severity	Pure Premium
20 point fit	6.8%	3.1%	10.2%
16 point fit	7.6%	3.2%	11.0%
12 point fit	1.1%	7.0%	8.1%
8 point fit	-6.9%	14.4%	6.4%
4 point fit	0.0%	26.0%	26.1%
Historical Selected	6.8%	3.1%	10.1%
Prospective Selected	-3.5%	8.8%	5.0%

Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
9/30/2007	3/31/2007	5/15/2011	4.125	5/15/2011	12/1/2013	2.544	1.684
9/30/2008	3/31/2008	5/15/2011	3.125	5/15/2011	12/1/2013	2.544	1.529
9/30/2009	3/31/2009	5/15/2011	2.125	5/15/2011	12/1/2013	2.544	1.389
9/30/2010	3/31/2010	5/15/2011	1.125	5/15/2011	12/1/2013	2.544	1.262
9/30/2011	3/31/2011	5/15/2011	0.125	5/15/2011	12/1/2013	2.544	1.146



Loss & ALAE Development

Data shown is Countrywide Consolidated American Modern Insurance Group MH Standard

Cumulative Incurred Loss and ALAE Development

Accident Qtr Ending	Development Age																			
	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60
Dec-05	24,099,126	24,859,806	24,734,227	24,819,579	24,701,461	24,911,360	24,792,378	24,731,961	24,821,682	25,074,796	25,073,657	25,110,583	25,041,080	25,033,527	24,926,627	24,877,295	24,884,345	24,899,513	24,901,161	24,902,412
Mar-06	20,654,769	20,979,381	21,226,866	21,425,953	21,857,034	21,829,393	21,840,533	21,741,423	22,049,761	21,999,842	21,810,961	21,801,639	21,826,424	21,831,504	21,823,032	21,817,356	21,818,826	21,809,518	21,816,236	21,816,222
Jun-06	26,052,869	26,281,497	26,244,563	26,208,098	26,489,842	26,901,704	26,767,046	26,753,396	26,834,979	26,561,592	26,509,037	26,498,900	26,490,548	26,517,223	26,537,223	26,535,206	26,523,804	26,522,667	26,526,841	26,484,765
Sep-06	24,166,308	24,732,568	25,023,045	25,313,812	25,258,169	25,342,493	25,448,347	25,418,006	25,379,481	25,166,443	25,164,000	25,026,986	25,163,081	25,160,658	25,201,192	25,170,364	24,749,505	24,739,953	24,740,229	24,724,556
Dec-06	22,422,812	23,438,268	23,362,538	23,234,762	23,245,767	23,386,023	23,311,553	23,302,983	23,338,695	23,306,262	23,323,117	23,290,651	23,272,820	23,275,100	23,274,307	23,214,760	23,234,647	23,110,893	23,123,400	23,081,265
Mar-07	22,328,817	23,117,355	23,528,975	23,545,882	23,689,057	23,882,504	23,791,479	23,717,134	23,475,637	23,583,334	23,593,379	23,584,232	23,531,397	23,530,966	23,450,484	23,442,188	23,387,329	23,387,829	23,383,169	
Jun-07	26,337,526	27,381,693	27,285,637	27,521,084	27,887,071	27,955,847	27,619,468	27,614,625	27,663,437	27,704,284	27,631,557	27,587,039	27,571,192	27,576,929	27,616,259	27,617,242	27,609,668	27,588,542		
Sep-07	25,851,877	26,874,899	26,983,935	27,070,890	27,020,154	26,636,857	26,542,072	26,585,683	27,363,670	27,443,647	27,436,501	27,563,932	27,510,106	27,447,028	27,418,592	27,393,923	27,405,801			
Dec-07	20,973,293	22,376,986	22,620,876	22,591,121	22,545,795	22,871,697	22,750,610	22,872,843	22,712,874	22,485,414	22,571,803	22,471,993	22,426,172	22,493,721	22,439,205	22,455,577				
Mar-08	28,152,401	30,140,387	30,044,102	29,970,526	30,403,313	30,347,932	30,415,340	30,336,168	30,413,737	30,509,353	30,513,681	30,505,937	30,512,089	30,518,558	30,525,775					
Jun-08	31,625,186	32,383,180	32,495,596	32,693,348	32,953,918	33,031,848	33,035,132	32,978,591	33,019,878	32,952,251	32,950,114	32,968,570	32,912,058	32,847,599						
Sep-08	29,192,940	30,058,914	30,061,022	29,842,692	30,464,672	30,499,742	30,383,351	30,379,943	30,553,153	30,632,095	30,522,974	30,521,493	30,290,951							
Dec-08	29,924,755	30,845,166	31,092,276	31,368,746	31,402,834	31,398,807	31,493,478	31,593,647	31,753,517	31,671,969	31,681,036	31,610,652								
Mar-09	29,737,592	31,054,383	31,367,129	31,712,966	32,090,043	32,313,261	32,092,432	32,128,462	32,098,650	31,962,712	32,025,646									
Jun-09	31,541,509	32,366,204	32,607,963	33,035,343	33,299,646	33,165,095	33,063,403	33,260,029	33,279,121	33,289,050										
Sep-09	31,879,749	32,833,357	33,158,820	33,179,138	33,212,680	33,379,797	33,276,161	33,245,918	33,199,007											
Dec-09	29,414,771	30,008,151	30,436,674	30,559,458	30,537,493	30,858,937	30,881,214	30,797,180												
Mar-10	28,813,751	30,257,693	30,918,984	31,115,849	31,316,750	31,171,561	31,216,299													
Jun-10	30,846,650	31,902,872	32,000,693	32,246,696	32,545,736	32,520,036														
Sep-10	34,782,315	35,202,738	35,648,850	35,833,234	35,858,401															
Dec-10	28,022,392	29,248,376	28,943,660	28,900,966																
Mar-11	29,549,642	30,971,413	31,153,964																	
Jun-11	40,959,313	42,377,254																		
Sep-11	38,788,389																			

Historical Development Factors

Accident Qtr Ending	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60	60 to 63	63 to 66
Dec-05	1.032	0.995	1.003	0.995	1.008	0.995	0.998	1.004	1.010	1.000	1.001	0.997	1.000	0.996	0.998	1.000	1.001	1.000	1.000	1.000	1.000
Mar-06	1.016	1.012	1.009	1.020	0.999	1.001	0.995	1.014	0.998	0.991	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Jun-06	1.009	0.999	0.999	1.011	1.016	0.995	0.999	1.003	0.990	0.998	1.000	1.000	1.001	1.001	1.000	1.000	1.000	1.000	0.998	1.000	1.000
Sep-06	1.023	1.012	1.012	0.998	1.003	1.004	0.999	0.998	0.992	1.000	0.995	1.005	1.000	1.002	0.999	0.983	1.000	1.000	0.999	1.000	
Dec-06	1.045	0.997	0.995	1.000	1.006	0.997	1.000	1.002	0.999	1.001	0.999	0.999	1.000	1.000	0.997	1.001	0.995	1.001	0.998		
Mar-07	1.035	1.018	1.001	1.006	1.008	0.996	0.997	0.990	1.005	1.000	1.000	0.998	1.000	0.997	1.000	0.998	1.000	1.000			
Jun-07	1.040	0.996	1.009	1.013	1.002	0.988	1.000	1.002	1.001	0.997	0.998	0.999	1.000	1.001	1.000	1.000	0.999				
Sep-07	1.040	1.004	1.003	0.998	0.986	0.996	1.002	1.029	1.003	1.000	1.005	0.998	0.998	0.999	0.999	1.000					
Dec-07	1.067	1.011	0.999	0.998	1.014	0.995	1.005	0.993	0.990	1.004	0.996	0.998	1.003	0.998	1.001						
Mar-08	1.071	0.997	0.998	1.014	0.998	1.002	0.997	1.003	1.003	1.000	1.000	1.000	1.000	1.000							
Jun-08	1.024	1.003	1.006	1.008	1.002	1.000	0.998	1.001	0.998	1.000	1.001	0.998	0.998								
Sep-08	1.030	1.000	0.993	1.021	1.001	0.996	1.000	1.006	1.003	0.996	1.000	0.992									
Dec-08	1.031	1.008	1.009	1.001	1.000	1.003	1.003	1.005	0.997	1.000	0.998										
Mar-09	1.044	1.010	1.011	1.012	1.007	0.993	1.001	0.999	0.996	1.002											
Jun-09	1.026	1.007	1.013	1.008	0.996	0.997	1.006	1.001	1.000												
Sep-09	1.030	1.010	1.001	1.001	1.005	0.997	0.999	0.999													
Dec-09	1.020	1.014	1.004	0.999	1.011	1.001	0.997														
Mar-10	1.050	1.022	1.006	1.006	0.995	1.001															
Jun-10	1.034	1.003	1.008	1.009	0.999																
Sep-10	1.012	1.013	1.005	1.001																	
Dec-10	1.044	0.990	0.999																		
Mar-11	1.048	1.006																			
Jun-11	1.035																				

Averages	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60	60 to 63	63 to 66	66 to Ult
4 Qtrs Average	1.035	1.003	1.005	1.004	1.003	0.999	1.001	1.001	0.999	1.000	1.000	0.997	1.000	1.000	1.000	1.000	0.999	1.000	0.999	1.000		
8 Qtrs Average	1.034	1.008	1.006	1.005	1.002	0.999	1.000	1.001	0.999	1.000	1.000	0.998	1.000	1.000	1.000	0.998						
12 Qtrs Average	1.034	1.007	1.004	1.007	1.001	0.997	1.000	1.003	0.999	1.000	0.999	0.999										
8 Qtrs Average ex H/L	1.035	1.009	1.006	1.004	1.001	0.999	1.000	1.001	1.000	1.000	1.000	0.998	1.000	1.000	1.000	1.000						
8 Qtrs Vol Weighted	1.034	1.008	1.006	1.005	1.002	0.999	1.000	1.001	0.999	1.000	1.000	0.998	1.000	1.000	0.999	0.998						
12 Qtrs Vol Weighted	1.033	1.007	1.004	1.007	1.001	0.998	1.000	1.002	0.999	1.000	0.999	0.999										
12 Qtr Avg ex H/L	1.033	1.007	1.005	1.006	1.001	0.998	1.000	1.001	0.999	1.000	0.999	0.999										

Selected Factors	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60	60 to 63	63 to 66	66 to Ult
Age to Age Factors	1.036	1.008	1.006	1.004	1.002	0.999	1.000	1.001	0.999	1.000	0.999	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

	3 to Ult	6 to Ult	9 to Ult	12
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American Modern Home Insurance Company
Arkansas
Mobile Home Standard
All Classes

Exhibit 7

Page 1

Catastrophe Factor

Data shown is Arkansas American Modern Insurance Group - Mobile Home

Accident Year Ending	(1) Weather Losses*	(2) All Losses*	(3)=(2)-(1) All Losses* Less Weather	(4)=(1)/(3) Weather Ratio	(5) Capped Weather Ratio **	(6)=(4)-(5) Excess Spread to 50 Years
9/30/1992	303,657	2,086,290	1,782,634	0.170	0.170	0.000
9/30/1993	216,045	1,823,431	1,607,386	0.134	0.134	0.000
9/30/1994	619,417	1,875,748	1,256,331	0.493	0.493	0.000
9/30/1995	310,622	1,856,149	1,545,527	0.201	0.201	0.000
9/30/1996	868,402	2,630,897	1,762,495	0.493	0.493	0.000
9/30/1997	1,967,748	4,064,428	2,096,680	0.939	0.939	0.000
9/30/1998	585,147	3,217,104	2,631,958	0.222	0.222	0.000
9/30/1999	1,590,869	5,233,361	3,642,492	0.437	0.437	0.000
9/30/2000	1,078,155	4,249,856	3,171,700	0.340	0.340	0.000
9/30/2001	3,011,386	8,949,636	5,938,249	0.507	0.507	0.000
9/30/2002	1,430,888	6,967,343	5,536,455	0.258	0.258	0.000
9/30/2003	2,756,015	7,834,214	5,078,198	0.543	0.543	0.000
9/30/2004	1,259,620	6,517,546	5,257,927	0.240	0.240	0.000
9/30/2005	1,878,837	6,943,510	5,064,673	0.371	0.371	0.000
9/30/2006	4,334,307	9,526,664	5,192,357	0.835	0.835	0.000
9/30/2007	1,267,526	7,201,570	5,934,044	0.214	0.214	0.000
9/30/2008	9,164,198	14,590,322	5,426,124	1.689	1.622	0.067
9/30/2009	6,244,280	13,381,629	7,137,350	0.875	0.875	0.000
9/30/2010	4,847,242	12,326,554	7,479,312	0.648	0.648	0.000
9/30/2011	13,118,938	19,952,559	6,833,621	1.920	1.622	0.298

Weighted Average*** 0.652

Selected Catastrophe Factor: 0.652

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* Losses shown are Undeveloped Accident Year Incurred Losses and ALAE.

*** Capped at 1.622 (2 standard deviations above the mean) with excess spread to 50 years.

Modeled Catastrophe Load

<u>Catastrophe Model Output</u>		<u>Earthquake</u>	
		<u>RMS v11</u>	
(1)	Modeled Units	13,939	
(2)	Average Annual Loss	8,556	
(3)	Modeled Pure Premium (2)/(1)	\$0.61	
<u>External Loads</u>			
(4)	Allocated Loss Adjustment Expense	1.062	
(5)	Unallocated Loss Adjustment Expense	1.015	
(6)	Trend Factor	1.033	
(7)	Adjusted Modeled Pure Premium	\$0.68	
<u>Development of Load in Rate Indications</u>			
(8)	Selected Modeled Pure Premium		\$0.68
(9)	Yr End 9/30/2011 Earned Exposures		14,098
(10)	Yr End 9/30/2011 Adj Earned Premium		10,955,694
(11)	Estimated Average Premium (10)/(9)		\$777.09
(12)	Prospective Modeled Ratio (8)/(11)	Earthquake	0.001

Notes:

(2)		
(4)	Loss Adjustment Expense is not considered in the models	
(5)	See Exhibit 8	
(6)	Calculation of External Load Trend Factor:	Earthquake
	(a) Proposed Average Effective Date:	12/1/2013
	(b) Beginning Date of Trend (modeled date)	11/30/2010
	(c) Trend Period (Years):	3.003
	(d) Annual Exposure Trend (see below):	1.1%
	(e) Trend Factor {1 + (d)}^(c):	1.033

(7)	Product of (3) - (6)
(8)	#VALUE!
(9)	See Exhibit 2 for this Class
(10)	See Exhibit 2 for this Class

Insured Value Trend

4 Qtrs Ending	Earned Exposure	Total Insured Value	Average Insured Value	8 Point Fitted	4 Point Fitted
12/31/2009	14,033	465,262,993	33,155	33,148	
3/31/2010	13,986	464,907,871	33,241	33,262	
6/30/2010	13,904	463,751,320	33,353	33,377	
9/30/2010	13,838	463,605,587	33,502	33,492	
12/31/2010	13,846	465,935,609	33,650	33,608	33,651
3/31/2011	13,914	469,494,524	33,741	33,724	33,743
6/30/2011	14,052	475,505,086	33,840	33,840	33,835
9/30/2011	14,199	481,711,324	33,925	33,957	33,928

Annual Insured Value Trend	
8 point fit	1.4%
4 point fit	1.1%
Selected	1.1%

Modeled Catastrophe Load

Catastrophe Model Output		Earthquake	
		RMS v11	
(1)	Modeled Units	387	
(2)	Average Annual Loss	102	
(3)	Modeled Pure Premium (2)/(1)	\$0.26	
External Loads			
(4)	Allocated Loss Adjustment Expense	1.062	
(5)	Unallocated Loss Adjustment Expense	1.015	
(6)	Trend Factor	1.158	
(7)	Adjusted Modeled Pure Premium	\$0.32	
Development of Load in Rate Indications			
(8)	Selected Modeled Pure Premium		\$0.32
(9)	Yr End 9/30/2011 Earned Exposures		401
(10)	Yr End 9/30/2011 Adj Earned Premium		277,355
(11)	Estimated Average Premium (10)/(9)		\$690.96
(12)	Prospective Modeled Ratio (8)/(11)	Earthquake	-

Notes:

- (2)
- (4) Loss Adjustment Expense is not considered in the models
- (5) See Exhibit 8
- (6) Calculation of External Load Trend Factor: Earthquake

(a) Proposed Average Effective Date: 12/1/2013

(b) Beginning Date of Trend (modeled date) 11/30/2010

(c) Trend Period (Years): 3.003

(d) Annual Exposure Trend (see below): 5.0%

(e) Trend Factor {1 + (d)}^(c): 1.158

- (7) Product of (3) - (6)
- (8) #VALUE!
- (9) See Exhibit 2 for this Class
- (10) See Exhibit 2 for this Class

Exposure Trend

4 Qtrs Ending	Earned Exposure	Total Insured Value	Average Insured Value	8 Point Fitted	4 Point Fitted
12/31/2009	382	9,813,904	25,706	25,738	
3/31/2010	380	9,914,004	26,068	26,086	
6/30/2010	379	10,027,715	26,454	26,439	
9/30/2010	380	10,181,874	26,825	26,796	
12/31/2010	384	10,456,056	27,224	27,158	27,201
3/31/2011	393	10,813,397	27,515	27,525	27,541
6/30/2011	401	11,184,848	27,868	27,897	27,885
9/30/2011	411	11,619,265	28,252	28,274	28,233

Annual Exposure Trend	
8 point fit	5.5%
4 point fit	5.1%
Selected	5.0%

Modeled Catastrophe Load

Catastrophe Model Output		Earthquake	
		RMS v11	
(1)	Modeled Units	9,419	
(2)	Average Annual Loss	7,856	
(3)	Modeled Pure Premium (2)/(1)	\$0.83	
External Loads			
(4)	Allocated Loss Adjustment Expense	1.062	
(5)	Unallocated Loss Adjustment Expense	1.015	
(6)	Trend Factor	1.054	
(7)	Adjusted Modeled Pure Premium	\$0.94	
Development of Load in Rate Indications			
(8)	Selected Modeled Pure Premium		\$0.94
(9)	Yr End 9/30/2011 Earned Exposures		9,533
(10)	Yr End 9/30/2011 Adj Earned Premium		8,988,890
(11)	Estimated Average Premium (10)/(9)		\$942.97
(12)	Prospective Modeled Ratio (8)/(11)	Earthquake	0.001
Notes:			
(2)			
(4)	Loss Adjustment Expense is not considered in the models		
(5)	See Exhibit 8		
(6)	Calculation of External Load Trend Factor:	Earthquake	
	(a) Proposed Average Effective Date:	12/1/2013	
	(b) Beginning Date of Trend (modeled date)	11/30/2010	
	(c) Trend Period (Years):	3.003	
	(d) Annual Exposure Trend (see below):	1.8%	
	(e) Trend Factor {1 + (d)}^(c):	1.054	
(7)	Product of (3) - (6)		
(8)	#VALUE!		
(9)	See Exhibit 2 for this Class		
(10)	See Exhibit 2 for this Class		

Exposure Trend

4 Qtrs Ending	Earned Exposure	Total Insured Value	Average Insured Value	8 Point Fitted	4 Point Fitted
12/31/2009	5,908	195,458,894	33,086	35,449	
3/31/2010	7,148	262,189,663	36,680	36,452	
6/30/2010	8,189	318,600,747	38,905	37,483	
9/30/2010	8,911	357,981,254	40,175	38,544	
12/31/2010	9,345	381,920,087	40,870	39,634	40,894
3/31/2011	9,478	389,619,711	41,107	40,755	41,074
6/30/2011	9,531	393,252,158	41,260	41,908	41,254
9/30/2011	9,519	394,261,007	41,419	43,094	41,435

Annual Exposure Trend	
8 point fit	11.8%
4 point fit	1.8%
Selected	1.8%

Modeled Catastrophe Load

<u>Catastrophe Model Output</u>		<u>Earthquake</u>	
		<u>RMS v11</u>	
(1)	Modeled Units	3,509	
(2)	Average Annual Loss	485	
(3)	Modeled Pure Premium (2)/(1)	\$0.14	
<u>External Loads</u>			
(4)	Allocated Loss Adjustment Expense	1.062	
(5)	Unallocated Loss Adjustment Expense	1.015	
(6)	Trend Factor	1.127	
(7)	Adjusted Modeled Pure Premium	\$0.17	
<u>Development of Load in Rate Indications</u>			
(8)	Selected Modeled Pure Premium		\$0.17
(9)	Yr End 9/30/2011 Earned Exposures		3,530
(10)	Yr End 9/30/2011 Adj Earned Premium		1,349,721
(11)	Estimated Average Premium (10)/(9)		\$382.31
(12)	Prospective Modeled Ratio (8)/(11)	Earthquake	-

Notes:

- (2)
- (4) Loss Adjustment Expense is not considered in the models
- (5) See Exhibit 8
- (6) Calculation of External Load Trend Factor: Earthquake

(a) Proposed Average Effective Date: 12/1/2013

(b) Beginning Date of Trend (modeled date) 11/30/2010

(c) Trend Period (Years): 3.003

(d) Annual Exposure Trend (see below): 4.1%

(e) Trend Factor {1 + (d)}^(c): 1.127

- (7) Product of (3) - (6)
- (9) See Exhibit 2 for this Class
- (10) See Exhibit 2 for this Class

Exposure Trend

4 Qtrs Ending	Earned Exposure	Total Insured Value	Average Insured Value	8 Point Fitted	4 Point Fitted
12/31/2009	3,515	55,289,484	15,730	15,766	
3/31/2010	3,495	55,667,429	15,927	15,934	
6/30/2010	3,463	55,830,410	16,123	16,104	
9/30/2010	3,463	56,528,703	16,323	16,275	
12/31/2010	3,498	57,555,464	16,453	16,448	16,458
3/31/2011	3,559	59,189,619	16,632	16,623	16,623
6/30/2011	3,632	60,975,862	16,786	16,800	16,789
9/30/2011	3,687	62,519,539	16,957	16,979	16,958

Annual Exposure Trend	
8 point fit	4.3%
4 point fit	4.1%
Selected	4.1%

Modeled Catastrophe Load

<u>Catastrophe Model Output</u>		<u>Earthquake</u>	
		RMS v11	
(1)	Modeled Units	533	
(2)	Average Annual Loss	113	
(3)	Modeled Pure Premium (2)/(1)	\$0.21	
<u>External Loads</u>			
(4)	Allocated Loss Adjustment Expense	1.062	
(5)	Unallocated Loss Adjustment Expense	1.015	
(6)	Trend Factor	1.075	
(7)	Adjusted Modeled Pure Premium	\$0.24	
<u>Development of Load in Rate Indications</u>			
(8)	Selected Modeled Pure Premium		\$0.24
(9)	Yr End 9/30/2011 Earned Exposures		543
(10)	Yr End 9/30/2011 Adj Earned Premium		301,987
(11)	Estimated Average Premium (10)/(9)		\$556.05
(12)	Prospective Modeled Ratio (8)/(11)	Earthquake	-

Notes:

- (2)
- (4) Loss Adjustment Expense is not considered in the models
- (5) See Exhibit 8
- (6) Calculation of External Load Trend Factor: Earthquake

(a) Proposed Average Effective Date: 12/1/2013

(b) Beginning Date of Trend (modeled date) 11/30/2010

(c) Trend Period (Years): 3.003

(d) Annual Exposure Trend (see below): 2.4%

(e) Trend Factor {1 + (d)}^(c): 1.075

- (7) Product of (3) - (6)
- (9) See Exhibit 2 for this Class
- (10) See Exhibit 2 for this Class

Exposure Trend

4 Qtrs Ending	Earned Exposure	Total Insured Value	Average Insured Value	8 Point Fitted	4 Point Fitted
12/31/2009	510	13,643,938	26,752	26,800	
3/31/2010	511	13,770,729	26,970	26,897	
6/30/2010	512	13,860,260	27,053	26,994	
9/30/2010	517	14,007,469	27,112	27,092	
12/31/2010	522	14,142,210	27,099	27,190	27,067
3/31/2011	532	14,463,435	27,189	27,288	27,229
6/30/2011	543	14,873,662	27,377	27,387	27,393
9/30/2011	555	15,317,386	27,582	27,486	27,557

Annual Exposure Trend	
8 point fit	1.5%
4 point fit	2.4%
Selected	2.4%

Modeled Catastrophe Load

<u>Catastrophe Model Output</u>		<u>Earthquake</u>	
		<u>RMS v11</u>	
(1)	Modeled Units	91	
(2)	Average Annual Loss	-	
(3)	Modeled Pure Premium (2)/(1)	\$0.00	
<u>External Loads</u>			
(4)	Allocated Loss Adjustment Expense	1.062	
(5)	Unallocated Loss Adjustment Expense	1.015	
(6)	Trend Factor	1.158	
(7)	Adjusted Modeled Pure Premium	\$0.00	
<u>Development of Load in Rate Indications</u>			
(8)	Selected Modeled Pure Premium		\$0.00
(9)	Yr End 9/30/2011 Earned Exposures		91
(10)	Yr End 9/30/2011 Adj Earned Premium		29,933
(11)	Estimated Average Premium (10)/(9)		\$329.69
(12)	Prospective Modeled Ratio (8)/(11)	Earthquake	-

Notes:

(2)		
(4)	Loss Adjustment Expense is not considered in the models	
(5)	See Exhibit 8	
(6)	Calculation of External Load Trend Factor:	Earthquake
	(a) Proposed Average Effective Date:	12/1/2013
	(b) Beginning Date of Trend (modeled date)	11/30/2010
	(c) Trend Period (Years):	3.003
	(d) Annual Exposure Trend (see below):	5.0%
	(e) Trend Factor {1 + (d)}^(c):	1.158

(7)	Product of (3) - (6)
(9)	See Exhibit 2 for this Class
(10)	See Exhibit 2 for this Class

Exposure Trend

4 Qtrs Ending	Earned Exposure	Total Insured Value	Average Insured Value	8 Point Fitted	4 Point Fitted
12/31/2009	79	1,233,967	15,650	15,406	
3/31/2010	79	1,240,685	15,637	15,603	
6/30/2010	81	1,274,968	15,738	15,803	
9/30/2010	84	1,329,167	15,811	16,005	
12/31/2010	88	1,410,111	15,997	16,210	15,957
3/31/2011	90	1,462,930	16,299	16,418	16,328
6/30/2011	91	1,507,555	16,639	16,628	16,707
9/30/2011	93	1,595,216	17,151	16,841	17,095

Annual Exposure Trend	
8 point fit	5.2%
4 point fit	9.6%
Selected	5.0%

American Modern Home Insurance Company
Arkansas
Mobile Home Standard

Exhibit 9

Unallocated Loss Adjustment Expense

The ULAE Factor is calculated as a ratio to Incurred Loss and ALAE and is considered in the "loss" side of the indication.

Consolidated American Modern Insurance Group Data

Calendar Year	2008	2009	2010
ULAE Incurred	11,747,762	12,288,732	8,611,126
Adjusted Loss and ALAE Incurred	584,440,974	521,315,563	501,701,035
Ratio of ULAE to Incurred Loss & ALAE	2.0%	2.4%	1.7%
5 Year Average			3.0%
2 Year Average			2.0%
Selected ULAE Factor			1.015

Determination of Permissible Loss Ratio

		Calendar Year					Budget		Fixed	Fixed	Variable
		2006	2007	2008	2009	2010	2011	Selected	Expense %	Expenses	Expenses
(1)	Pre-Paid Commissions	17.0%	17.0%	16.9%	16.9%	16.7%		16.7%		0.0%	16.7%
(2)	Contingent Commissions	3.8%	3.1%	0.8%	1.3%	2.4%	1.4%	1.4%		0.0%	1.4%
(3)	Other Acquisition Expense	5.1%	4.5%	4.4%	4.3%	4.1%	4.0%	4.0%	0%	0.0%	4.0%
(4)	General Expense	12.6%	12.0%	10.6%	10.3%	9.4%	9.5%	9.5%	0%	0.0%	9.5%
(5)	Taxes, Licenses and Fees	3.4%	3.4%	3.4%	2.7%	2.9%		3.0%		0.0%	3.0%
(6)	Reinsurance Expense						0.6%	0.6%	100%	0.6%	0.0%
(7)	Total Expense							35.2%			
Profit Loading Provision											
(8a)	After Tax Return on Equity Goal						15.0%				
(8b)	Target Premium to Surplus Ratio						1.8:1				
(8c)	After Tax Return on Premium [(a)/(b)]						8.3%				
(8d)	After Tax Return Generated by Inv Income						1.6%				
(8e)	After Tax Return Needed From Underwriting Profit [(c) - (d)]						6.7%				
(8f)	Before Tax Return Needed from Underwriting Profit [(e)/(1.00 - .35)]						10.4%				
(8g)	Selected Profit Provision							10.4%		0.0%	10.4%
(9)	Total Expenses and Profit Provision [(7) + (8)]							45.6%			
(10)	Permissible Loss & LAE Ratio [(1.000 - (9))]							54.4%			
(11)	Fixed Expense Ratio									0.6%	
(12)	Variable Permissible Loss Ratio										55.0%

		Calendar Year				
		2006	2007	2008	2009	2010
Data applied to calculate commission ratio:						
AMH Arkansas Mobile Home Standard Written Premium		#####	#####	#####	#####	#####
AMH Arkansas Mobile Home Standard Paid Commission		#####	#####	#####	#####	#####

		Calendar Year				
		2006	2007	2008	2009	2010
Data applied to calculate Taxes, Licenses and Fees:						
AMH Arkansas Written Premium from all AS Lines		#####	#####	#####	#####	#####
AMH Arkansas Taxes, Licenses and Fees from all AS Lines		386,665	416,055	450,733	390,211	440,601

Investment Income Calculation

Estimated Investment Earnings on Unearned Premium and Loss Reserves

A.	Unearned Premium Reserve	
(1)	Direct Earned Premium for 2010	\$ 416,869,231
(2)	Mean Unearned Premium Reserve Ratio	55.5%
(3)	Mean Unearned Premium Reserve (1) x (2)	\$ 231,531,114
(4)	Deduction for Prepaid Expenses and Federal Taxes Payable	
(a)	Commission	18.1%
(b)	50% of Other Acquisition	2.0%
(c)	50% of General Expenses	4.8%
(d)	Taxes, Licenses, and Fees	3.0%
(e)	Reinsurance Expense	0.6%
(f)	Subtotal	28.5%
(g)	Federal Taxes Payable	7.0%
(4T)	Total Deductions	35.5%
(5)	Unearned Premium Reserve Subject to Investment (3) x [1.0 - (4T)]	\$ 149,453,334
B.	Delayed Remission of Premium (Agent's Balances)	
(1)	Agent's Balance or Uncollected Premium to Unearned Premium	
(a)	Average Agent's Balance	\$ 138,852,695
(b)	Direct Unearned Premium 2010 (All Lines)	\$ 504,115,494
(c)	Ratio (a) / (b)	27.5%
(d)	Direct Unearned Premium 2010 (ASLOB 4 and 21.1 (for 2008 & prior))	\$ 241,174,711
(2)	Delayed Remission (1c) x (1d)	\$ 66,428,743
C.	Loss and Loss Adjustment Expense Reserve	
(1)	Expected Loss and Loss Adjustment Expense Ratio	54.4%
(2)	Expected Losses and Loss Adjustment Expenses (A.1) x (C.1)	\$ 226,776,861
(3)	Percent of Mean Loss & ALAE Reserves to Incurred Loss & ALAE	
(a)	2010 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	26.6%
(b)	2009 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	23.0%
(c)	Average of Mean Loss Reserve to Incurred Loss Ratios 1/2 x [(a) + (b)]	24.8%
(4)	Expected Mean Loss Reserves (2) x (3c) x .958	\$ 53,855,550
D.	Net Subject to Investment	\$ 136,880,141
	(A.5) - (B.2) + (C.4)	
E.	Before Tax Rate of Return	2.5%
	[Exhibit 10, Page 2]	
F.	Average Rate of Return as a % of Direct Earned Premium	0.8%
	[(D) x (E)] / (A.1)]	
G.	Before Tax Investment Income Return (Including Surplus)	2.2%
	(F) + [(E) x (1.0/Premium to Surplus Ratio)]	
H.	After Tax Average Rate of Return as a Percent of Direct Earned Premium	
(1)	Average Federal Tax Rate on Inv. Inc. (Exhibit 11, Page 2)	27.4%
(2)	After Tax Return Generated by Investment Income (G) x [1.0 - (H.1)]	1.6%

Investment Income Calculation

Average Federal Tax Rate on Investment Income

	(1) Investment Income 2008 - 2010 (A)	(2) Allocation	(3) Current Tax Rate (B)	(4) Total Tax (2)x(3)
Bonds				
- Taxable	\$65,596,168	68.6%	35.0%	24.0%
- Tax Exempt Municipal	\$19,660,466	20.6%	5.3%	1.1%
Stocks				
- Acquired Prior to 1987	\$0	0.0%	10.5%	0.0%
- Acquired After 1987	\$6,912,866	7.2%	14.2%	1.0%
Short Term Investments	\$3,488,052	3.6%	35.0%	1.3%
Total	\$95,657,552	100.0%		27.4%

Notes:

- (A) From American Modern Insurance Group Annual Statement, Part 1
(B) Under the 1986 Tax Reform Act, 15% of formerly tax-exempt income from securities purchased after August 7, 1986 is now taxable. Thus the estimated effective tax rates in 2011 will be:

Ordinary Income =	35.0%
Tax Exempt Municipal - 35.0% x 15.0% =	5.3%
Stock Dividends (Acquired after 1987) - 40.5% x 35.0% =	14.2%
Stock Dividends (Acquired before 1987) - 30.0% x 35.0% =	10.5%

Investment Income as a Percentage of Invested Assets

1999	4.5%
2000	5.0%
2001	5.2%
2002	5.2%
2003	4.5%
2004	4.3%
2005	4.4%
2006	4.5%
2007	4.6%
2008	4.4%
2009	2.6%
2010	3.2%
Twelve Year Average	4.4%
Latest Six Year Average	3.9%
Latest Year	3.2%
Projected 2011 (12 Year Trend)	3.3%
Projected 2011 (6 Year Trend)	2.7%

Selected 2010 Rate of Return

Before Tax	2.5% *
After Tax [(1-0.274) x 2.5%]	1.8%

* 2.5% selected based on change in investment philosophy due to the purchase of the American Modern Insurance Group by Munich Re. Specifically, Munich Re requires that investments for companies owned should not have "risk". This leads to a lower rate of return than we've seen in the past.

By Line Explanation of Investment Income Calculation

Line A-1

Direct Earned Premium is total limits earned premium for the captioned program written by the American Modern Insurance Group for the latest accident year.

Line A-2, A-3

The mean unearned premium reserve is determined by the average of the latest two years unearned premiums for the American Modern Insurance Group.

Line A-4

Deductions for prepaid expenses:

Production costs and a large portion of other company expenses connected with the writing and handling of insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before premium is paid. Therefore, the deduction of these expenses is determined by use of provisions for expenses used in our ratemaking procedures as shown. These provisions are based on the above referenced company's data as shown in Exhibit 9.

Line A-4 Federal Taxes Payable

The Tax Reform Act of 1986 taxes 20% of the unearned premium reserve. At a corporate tax rate of 35%, this tax equals 7.0% ($.20 \times .35 = .070$) of the unearned premium reserve.

Line B-1

Delayed remission of premium:

This deduction is necessary due to the delay in collection and remission of premium to the company beyond the effective dates of the policies. Funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus, and are not available for investment.

Line B-1(c)

Average agent's balances as a percentage of 2010 Direct Unearned Premium (All Lines)

Line C-1

The expected loss and loss adjustment ratio reflects the expense provisions used in the filing. See Exhibit 10.

Line C-3

Mean loss reserve are determined by averaging the reserves at the beginning and ending of the year in question, and dividing by that year's loss and loss adjustment expenses. This ratio is based on countrywide data for the American Modern Insurance Group countrywide data for the American Modern Insurance Group.

Line C-4

The expected mean loss reserve is determined by multiplying the expected incurred losses in Line C-2 by the average ratio of the mean loss & loss adjustment reserves to the incurred losses & loss adjustment expenses from Line C-4. Then an adjustment for the estimated Federal Income Taxes payable due to discounting of loss reserves is added. The estimated reserve discount is 12% (based on all company data provided by the A.M. Best Company), the federal taxes payable (expressed as a % of reserves) is 4.2% ($.12 \times .35 = .042$), and the appropriate adjustment is .958 ($1.000 - .042 = .958$).

Line E

This rate of return in the ratio of net investment income earned and net realized capital gains (or losses) to mean cash and invested assets (including interest, dividends and real estate income due and accrued) for the American Modern Insurance Group.

Line H-1

The average rate of Federal Tax was determined by applying the appropriate tax rates to the distribution of investment income earned for 2008 - 2010 for the American Modern Insurance Group. See Page 2 of this exhibit.

Complement of Credibility Calculation

	All Classes	Mobile Home-Byline	Mobile Home- Package	Rental	Seasonal- Byline
(1) Permissible Loss & LAE Ratio	0.544	0.544	0.544	0.544	0.544
(2) Modeled Catastrophe Load Capped at 0.272	0.001	0.000	0.001	0.000	0.000
(3) Proposed Renewal Effective Date	12/1/2012	12/1/2012	12/1/2012	12/1/2012	12/1/2012
(4) Effective Date of Current Rates	10/1/2011	10/1/2011	10/1/2011	10/1/2011	10/1/2011
(5) Time Period in Years $\{[(3) - (4)] / 365\}^{**}$	1.000	1.000	1.000	1.000	1.000
(6) Annual Premium Trend	2.5%	5.0%	2.0%	5.0%	1.7%
(7) Annual Loss Trend	5.0%	5.0%	5.0%	5.0%	5.0%
(8) Ann Loss Ratio Trend $\{[1 + (7)] / [1 + (6)] - 1\}$	2.4%	0.0%	2.9%	0.0%	3.3%
(9) Selected Trend Factor $\{[1 + (8)] ^ (5)\}$	1.024	1.000	1.029	1.000	1.033
(10) Complement of Credibility = $\{[(1) - (2)] * (9)\}$	0.556	0.544	0.559	0.544	0.562

	Tenant
(1) Permissible Loss & LAE Ratio	0.544
(2) Modeled Catastrophe Load Capped at 0.272	0.000
(3) Proposed Renewal Effective Date	12/1/2012
(4) Effective Date of Current Rates	10/1/2011
(5) Time Period in Years $\{[(3) - (4)] / 365\}^{**}$	1.000
(6) Annual Premium Trend	3.5%
(7) Annual Loss Trend	5.0%
(8) Ann Loss Ratio Trend $\{[1 + (7)] / [1 + (6)] - 1\}$	1.5%
(9) Selected Trend Factor $\{[1 + (8)] ^ (5)\}$	1.015
(10) Complement of Credibility = $\{[(1) - (2)] * (9)\}$	0.552

** Capped at a minimum of 0.5 and a maximum of 1 year(s)

By Overall Discrepancy

Lower Bound (> x)	Right Bound (x <=)	Policy Counts	Percentage Change
Inf.	-50%	0	
-50%	-45%	0	
-45%	-40%	0	
-40%	-35%	0	
-35%	-30%	0	
-30%	-25%	2	-27.1%
-25%	-20%	5	-21.8%
-20%	-15%	20	-17.0%
-15%	-10%	106	-12.2%
-10%	-5%	61	-7.9%
-5%	0%	575	-2.8%
0%	5%	477	3.2%
5%	10%	3,995	7.1%
10%	15%	142	14.0%
15%	20%	3,357	18.5%
20%	25%	4,800	20.9%
25%	30%	0	
30%	35%	0	
35%	40%	0	
40%	45%	0	
45%	50%	0	
50%	55%	0	
55%	60%	0	
60%	65%	0	
65%	70%	0	
70%	75%	0	
75%	80%	0	
80%	85%	0	
85%	90%	0	
90%	95%	0	
95%	100%	0	
100%	Inf.	0	

State:	Arkansas	Filing Company:	American Modern Home Insurance Company
TOI/Sub-TOI:	04.0 Homeowners/04.0002 Mobile Homeowners		
Product Name:	AMH Manufactured Home		
Project Name/Number:	R/R/20120424-08		

Superceded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
08/28/2012	Supporting Document	Disruption Chart	09/12/2012	AR 077 Disruption Chart.pdf (Superceded)
08/03/2012	Rate	Proposed Filing Pages	09/12/2012	AR077MH-A.pdf (Superceded)
08/03/2012	Supporting Document	NAIC loss cost data entry document	09/12/2012	F319AR_NAIC Loss Cost Data Entry Doc 077.pdf (Superceded)

By Overall Discrepancy

Lower Bound (> x)	Right Bound (x <=)	Policy Counts	Percentage Change
Inf.	-50%	0	
-50%	-45%	1	-46%
-45%	-40%	0	0%
-40%	-35%	3	-36%
-35%	-30%	2	-33%
-30%	-25%	5	-28%
-25%	-20%	13	-22%
-20%	-15%	63	-17%
-15%	-10%	148	-12%
-10%	-5%	181	-7%
-5%	0%	284	-3%
0%	5%	975	3%
5%	10%	4,810	8%
10%	15%	470	12%
15%	20%	1,093	18%
20%	25%	863	23%
25%	30%	2,225	27%
30%	35%	1,815	32%
35%	40%	263	38%
40%	45%	147	41%
45%	50%	112	47%
50%	55%	44	52%
55%	60%	49	57%
60%	65%	52	62%
65%	70%	15	68%
70%	75%	14	71%
75%	80%	1	76%
80%	85%	6	80%
85%	90%	0	
90%	95%	0	
95%	100%	0	
100%	Inf.	0	

**ARKANSAS
AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

GENERAL RULES

1. POLICY TERM

All premiums and rates contained in the rate section of this manual are annual.

2. CANCELLATION

If a policy or form of coverage is cancelled at the request of the insured or by the Company, the return premium shall be calculated pro rata of the premium, subject to any applicable minimum premiums.

3. MINIMUM WRITTEN AND EARNED PREMIUM

a. No policy shall be written for less than:

- An annual minimum written premium of \$50.00.
- An annual earned premium of \$50.00.
- The minimum premium applies to the basic product only.
- For a Byline, Package, and Tenant policy, the minimum premium applies to the basic product only.
- For a Rental/Commercial policy, the minimum premium applies at the policy level.

b. The minimum earned premium is a minimum charge to be retained in full by the Company except that pro-rata cancellation may be allowed when new insurance is written by the Company within thirty (30) days, covering a different mobile home for the same named insured.

c. Pro-rata cancellation shall be allowed when the Company or its agent initiates cancellation.

4. CHANGES

a. All changes requiring adjustments of premium shall be computed pro rata.

b. If a policy is amended and results in a premium adjustment of less than \$5.00, such adjustment may be waived except that the actual return premium shall be allowed if requested by the named insured.

ARKANSAS
AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM

ELIGIBILITY AND COVERAGES

A **Manufactured Home** is a factory fabricated, transportable permanent housing unit, which is at least 8 body feet in width and built on a chassis. Designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities. It may be equipped with one or more room sections that fold, collapse, or telescope into the principal unit when being transported and which can be expanded at the site to provide additional living area; or may be built in two or more sections to be joined at the site.

An owner occupied manufactured home used as the primary residence of the insured for a period of five (5) consecutive months or more annually is eligible for the **Owner Byline Manufactured Home** or **Owner Package Manufactured Home Program**.

An owner occupied manufactured home used as the seasonal, vacation or secondary residence of the insured is eligible for the **Seasonal Byline Manufactured Home Program**.

A manufactured home rented or used commercially for light office, professional or institutional purposes is eligible for the **Rental/Commercial Manufactured Home Program**.

A manufactured home used by a tenant is eligible for the **Tenant Manufactured Home Program**.

Dwelling	Owner Byline	Owner Package	Seasonal Byline	Rental / Commercial	Tenant
Comprehensive Excluding Flood and Earthquake	X	X	X	X	
Mold and Remediation Coverage Sub-Limit (\$3,500) Combined Section I	X	X	X	X	

Other Structures	Owner Byline	Owner Package	Seasonal Byline	Rental / Commercial	Tenant
Comprehensive Excluding Flood and Earthquake	X	X	X	X	
Mold and Remediation Coverage Sub-Limit (\$3,500) Combined Section I	X	X	X	X	

Personal Property	Owner Byline	Owner Package	Seasonal Byline	Rental / Commercial	Tenant
Comprehensive Excluding Flood and Earthquake	X	X	X	X	
Named Perils Including Burglary					X
Includes Theft Coverage	X	X	X	X	
Mold and Remediation Coverage Sub-Limit (\$3,500) Combined Section I	X	X	X	X	

ARKANSAS AMERICAN MODERN HOME INSURANCE COMPANY MANUFACTURED HOME PROGRAM					
Liability	Owner Byline	Owner Package	Seasonal Byline	Rental / Commercial	Tenant
Personal Liability	X	X	X		X
Premises Liability				X	
Medical Payments to Others	X	X	X		X
Premises Medical Payments				X	
Damage to Property of Others	X	X	X		X
Mold and Remediation Exclusion	X	X	X	X	X
Animal Liability Sub-Limit \$10,000	X	X	X		X

The following Supplemental Coverages are automatically included when coverage on the manufactured home is provided:

Supplemental Coverage	Owner Byline	Owner Package	Seasonal Byline	Rental / Commercial	Tenant
Additional Living Expenses	X	X			X
Antennas and Satellite Dishes	X	X	X	X	X
Collapse	X	X	X	X	
Credit Cards, Fund Transfer Cards, Forgery, and Counterfeit Money	X	X	X		X
Emergency Removal	X	X	X	X	X
Fire Department Service Charge	X	X	X	X	X
Food Spoilage	X	X	X	X	X
Loss of Use				X	
Reasonable Repairs	X	X	X	X	
Trees, Shrubs, Plants and Lawns	X	X	X	X	
Per Occurrence Deductible (For Scheduled Units of 11+)				X	
Total Loss Deductible Waiver	X	x	x	X	
Debris Removal Coverage	X	X	X	X	

**ARKANSAS
AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

OWNER AND SEASONAL BYLINE RATES

Comprehensive Excluding Flood and Earthquake (212/222)

Product Code	Flat Base Rate	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity
212	\$294.50	\$15,000	\$1,000	JL	1.000
222	\$254.00	\$15,000	\$1,000	JL	1.000

OWNER AND SEASONAL BYLINE RATING FACTORS

Territory	Factor
50	1.00
51	1.66

Location	Factor
In Park	1.000
Out of Park	1.160

In Park - Mobile home park with 26 or more occupied spaces

Out of Park - Private property or Mobile home park with less than 25 spaces

Age of Insured	Factor
18 - 34	1.120
35 - 49	1.000
50 - 64	0.920
65 +	0.830

Age of Home	Factor
New - 1	0.800
2 - 3	0.850
4 - 5	0.930
6 - 10	1.000
11 - 15	1.190
16 - 20	1.270
21 +	1.340

**ARKANSAS
AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

OWNER PACKAGE RATES

Owner Package Manufactured Home

Comprehensive Excluding Flood and Excluding Earthquake (042)

Internal Limits for the Package		
Other Structures	Personal Property	Personal Liability
10%	50%	\$50,000

Product Code	Flat Base Rate	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity
042	\$541.75	\$15,000	\$1,000	JL	1.000

OWNER PAGE RATING FACTORS

Territory	Factor
50	1.00
51	1.66

Location	Factor
In Park	1.000
Out of Park	1.160

In Park - Mobile home park with 26 or more occupied spaces

Out of Park - Private property or Mobile home park with less than 25 spaces

Age of Insured	Factor
18 - 34	1.120
35 - 49	1.000
50 - 64	0.920
65 +	0.830

Age of Home	Factor
New - 1	0.800
2 - 3	0.850
4 - 5	0.930
6 - 10	1.000
11 - 15	1.190
16 - 20	1.270
21 +	1.340

**ARKANSAS
AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

RENTAL/COMMERCIAL RATES

Coverage: Comprehensive - Excluding Flood and Earthquake

Rate: Rates shown are for \$100 of coverage or any part thereof:

Deductible	Coverage For:	Territory 50	Territory 51
\$250	Manufactured Home (3A2)	\$2.17	\$2.97
*Maximum Per Occurrence Deductible \$2,500	Other Structures (6A2)	\$2.17	\$2.97
	Personal Property (5A2)	\$2.17	\$2.97
\$500	Manufactured Home (3B2)	\$1.94	\$2.64
*Maximum Per Occurrence Deductible \$5,000	Other Structures (6B2)	\$1.94	\$2.64
	Personal Property (5B2)	\$1.94	\$2.64
\$1,000	Manufactured Home (3C2)	\$1.66	\$2.26
*Maximum Per Occurrence Deductible \$10,000	Other Structures (6C2)	\$1.66	\$2.26
	Personal Property (5C2)	\$1.66	\$2.26
\$2,500	Manufactured Home (3D2)	\$1.18	\$1.61
*Maximum Per Occurrence Deductible \$25,000	Other Structures (6D2)	\$1.18	\$1.61
	Personal Property (5D2)	\$1.18	\$1.61

* The maximum Per Occurrence Deductible caps the aggregate deductible applied in the event covered loss occurs and multiple Rental units are damaged in a single occurrence.

**ARKANSAS
AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

TENANT RATES

Personal Property Coverage

Named Perils including Burglary (415)

Personal Property Coverage Amount	Territory 50	Territory 51
\$5,000	\$150.00	\$150.00
For each additional \$1,000 or any part thereof, add:	\$12.00	\$12.00

* \$50,000 maximum Personal Property Coverage

**ARKANSAS
AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

LIABILITY COVERAGES

NOTE: The increased limit rates provided for the Owner Package Program are for increased limits greater than those included in the program.

Personal Liability Coverage* Rates (01)

Coverage Amount	Owner Byline	Owner Package	Seasonal Byline	Tenant
\$25,000	\$20.00	N/A	\$20.00	\$20.00
\$50,000	\$35.00	Included	\$35.00	\$35.00
\$100,000	\$45.00	\$10.00	\$45.00	\$45.00
\$200,000	\$60.00	\$25.00	\$60.00	\$60.00
\$300,000	\$70.00	\$35.00	\$70.00	\$70.00

***Includes the following:**

Medical Payments to Others: \$500 each person/\$25,000 per occurrence
 Damage to Property of Others: \$500 each occurrence
 Animal Liability Limit: \$10,000

Premises Liability Coverage* & Rates (12)

Coverage Amount	Rental / Commercial
\$25,000	\$20.00
\$50,000	\$35.00
\$100,000	\$45.00
\$200,000	\$60.00
\$300,000	\$70.00

***Includes the following:**

Medical Payments to Others: \$500 each person/\$10,000 per occurrence

Medical Payments to Others Rates (02)

Coverage Amount	Owner Byline	Owner Package	Seasonal Byline	Tenant
\$1,000/ \$25,000	\$5.00	\$5.00	\$5.00	\$5.00
\$2,000/ \$25,000	\$7.00	\$7.00	\$7.00	\$7.00

Secondary Residence Liability Coverage Rates for EACH Secondary Residence (08)

Personal Liability Coverage Amount	Medical Payments to Others		
	\$500 / \$25,000	\$1,000 / \$25,000	\$2,000 / \$25,000
\$25,000	\$8.00	\$9.00	\$10.00
\$50,000	\$9.00	\$10.00	\$12.00
\$100,000	\$10.00	\$11.00	\$14.00
\$200,000	\$12.00	\$12.00	\$16.00
\$300,000	\$14.00	\$14.00	\$18.00

Selected limits must equal Personal Liability and Medical Payments limits.

Animal Liability Exclusion (32)

Only available on policies with Personal Liability Coverage.

The policy may be endorsed to remove coverage for bodily injury or property damage caused by any animal owned by, or in care or custody of any insured person.

\$3.00 credit per home, per year.

ARKANSAS
AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM

OPTIONAL COVERAGES

The following reflects annual rates unless otherwise noted.

Optional Coverage		Rate
Additional Living Expenses	Removes \$30 per day limit and increases to 20% Dwelling Limit	\$15.00 per home, per year
Antennas and Satellite Dishes	May be increased to provide additional coverage on Antennas, including but not limited to Satellite Dishes.	\$5.00 for each additional \$100 of coverage
Builders Risk Coverage	Personal liability, theft of building materials/supplies, and vandalism/malicious mischief coverages are provided from the time of the construction or permanent loan closing until the home has been delivered to the address where the insured will reside.	N/A
Building Exclusion	Removes property and liability coverage for the building described on the endorsement.	N/A
Earthquake Coverage	Provides coverage for the peril of earthquake. The deductible is 10% of the total amount of insurance per coverage, with a minimum of \$1,000. The deductible is applicable per home, per loss occurrence. Premium is fully earned.	\$.65 per \$1,000 Minimum Premium - \$15.00
Equipment Breakdown Coverage \$500 Deductible	Provides mechanical breakdown protection for systems & appliances in the home. A deductible of \$500 applies to each occurrence.	\$25.00
Fire Department Service Charge	Provides additional coverage for Fire Department Service Charge.	\$5.00 for each additional \$250 of coverage
Golf Cart Physical Damage and Liability Extension	Provides for loss or physical damage to golf carts and extends liability coverage to apply to non-commercial use of golf carts. Not available for policies without Personal Liability coverage.	\$35.00 per cart
Hobby Farming Coverage	Extends other structures, personal property & liability coverage to private, not-for-profit farming operations conducted on the residence premises by the insured.	\$40.00

**ARKANSAS
AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

OPTIONAL COVERAGES

The following reflects annual rates unless otherwise noted.

Optional Coverage		Rate
Identity Recovery Coverage	Covers identity recovery extra expense insurance and case management services. Limit: \$15,000 annual aggregate per policy period.	\$20 Per Policy
Occasional Rental	Gives permission to rent the manufactured home for residential purposes.	\$25.00 per unit, per year
Personal Property Replacement Cost	Provides replacement cost coverage for personal property. The limit of liability for this coverage must be the same as the personal property limit.	\$10.00 per home, plus \$.10 per \$100 of coverage
Replacement Cost for Partial Losses	Provides replacement cost for partial losses to the Manufactured home and other structures.	\$15.00 per home
Trip Collision	Provides for loss caused by collision to the manufactured home while it is being moved or in transit. \$100 Deductible applies. A trip is limited to 30 days. Each section of a multi-sectional manufactured home is considered a unit. Premium is fully earned.	\$25.00 per unit, per trip
Vacancy Permission	Permits the home to be vacant during the remainder of the policy year. Premium is fully earned.	\$30.00 for the remainder of the policy year
Water Back Up of Sewers or Drains	Provides coverage for losses caused by water which backs up through sewers or drains.	\$20.00 per home

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	20120424-08
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	n/a
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	Company Name	Company NAIC Number
3.	A. American Modern Home Insurance Company	B. 361-23469

	Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
4.	A. Homeowners	B. Mobile Homeowners

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
10101	20.2	20.2					
10111	2.2	2.2					
10301	7.3	7.3					
10511	-0.7	0.0					
10201	54.0	0.0					
TOTAL OVERALL EFFECT	17.3	17.2					

6.

5 Year History

Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2011	10,634			6,446,493	7,049,718	109.4%	77.8%
2010	13,795	1.9%	9/1/2010	8,092,803	5,053,520	62.4%	45.8%
2009	13,972	10.4%	6/1/2009	7,552,503	5,811,020	76.9%	51.0%
2008	13,964	-2.1%	3/15/2008	7,423,608	5,944,102	80.1%	54.7%
2007	14,031	3.6%	9/1/2007	7,204,959	2,970,242	41.2%	36.7%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	22.1%
B. General Expense	9.5%
C. Taxes, License & Fees	3.0%
D. Underwriting Profit & Contingencies	10.4%
E. Other (explain)	0.6% (reins)
F. TOTAL	45.6%

8. ☐ Apply Lost Cost Factors to Future filings? (Y or N)

9. ☐ Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 80.3

10. ☐ Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): -46.4

PC RLC

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